



LEROY D. BACA, SHERIFF

County of Los Angeles
Sheriff's Department Headquarters
4700 Ramona Boulevard
Monterey Park, California 91754-2169

A Tradition of Service



November 30, 2010

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
Los Angeles, California 90012

Dear Supervisors:

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

48 November 30, 2010

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

**APPROVE AGREEMENT WITH FIRST CLASS VENDING, INCORPORATED
FOR VENDING MACHINE SERVICES – INMATES ONLY
(ALL DISTRICTS) (3 VOTES)**

SUBJECT

The Los Angeles County Sheriff's Department (Department) is seeking your Board's approval and execution of an Agreement with First Class Vending, Incorporated (First Class) to provide vending machine services for inmates that are being held throughout the Department's custody facilities.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and instruct the Chair of the Board to sign the attached Agreement with First Class to provide vending machine services for inmates being held throughout the Department's custody facilities effective upon Board approval for a three-year term with an option to extend for two additional one-year periods, plus one additional six-month period in any increment.
2. Delegate authority to the Sheriff, or his designee, to: (1) execute applicable documents when the original contracting entity has merged, been purchased, or otherwise changed; (2) to modify the Agreement to include new or revised standard County of Los Angeles (County) contract provisions adopted by your Board as required from time to time, including all applicable documents; (3) to execute any of the extension options above, if it is in the best interest of the County; (4) to execute Change Orders and Amendments to the Agreement as set forth throughout the Agreement; and (5) to deploy additional technology-enhanced vending machines, if it is in the best interest of the County.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the recommended actions will allow the Department to continue providing vending

machine services to inmates being held throughout the Department's custody facilities. The vending machines will be stocked with various snack items, cold beverages, ice cream products, hot beverages, and hot/cold food items, including pre-packaged over-the-counter medications. The Agreement will allow for the Department to add, change, and/or remove vending machines, custody facilities, and vending menu items. The Agreement will require a no-cost Proof of Concept (POC) for two technology-enhanced vending machines using bar code technology. This will allow the Department to determine the workability and feasibility of such vending machines in a custody environment. Should the POC be deemed successful, at the sole discretion of the Department, the Department may choose to deploy additional technology-enhanced vending machines, if it is in the best interest of the County.

Implementation of Strategic Plan Goals

The services provided under this Agreement support the County's Strategic Plan, Goal 1, Operational Effectiveness; and Goal 5, Public Safety. This Agreement will allow inmates to have access to the vending machines that generate revenue and, thereby, continue to support various programs and projects for the inmates.

FISCAL IMPACT/FINANCING

This is a revenue-generating Agreement. The Department will receive 38.6 percent, and Contractor will receive 61.4 percent of the gross proceeds (total of all monies collected from Contractor's vending machine sales under this Agreement minus applicable taxes as further described in the Agreement and minus the California Redemption Value, if applicable). Revenue generated will be deposited into the Inmate Welfare Fund (IWF), which is used for various educational and recreational programs and projects that benefit the inmates.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Sheriff is authorized under Penal Code 4025 to operate a store in the jail facilities to allow inmates to purchase goods, supplies, and certain personal items. Pursuant to this provision, the products sold in the vending machines under this Agreement are for inmates only.

Currently there is an active Agreement Number 74376 with Canteen Vending Services for debit card vending machine services that was adopted by your Board on February 18, 2003. We are currently in the six-month extension, approved by your Board on August 10, 2010, which will expire on February 17, 2011. Approval of this Agreement will ensure the Department has uninterrupted vending machine services for inmates and allow for the necessary transition period.

First Class is in compliance with all Board and Chief Executive Office requirements, including Jury Service Program, Safely Surrendered Baby Law, and Defaulted Property Tax Reduction Program.

County Counsel has reviewed and approved this Agreement as to form.

CONTRACTING PROCESS

On July 24, 2009, the Department released a Request For Proposals (RFP) to solicit for an agreement with a vendor to provide debit card vending machine services to inmates only. The Department sent notification of the RFP to 16 vendors through the United States mail and/or by

e-mail. The RFP solicitation was also posted on the County and Department websites. The Department held a Mandatory Proposer's Conference and a Mandatory Custody Facility Site Visit, at which five vendors attended.

The Department received three proposals. An evaluation committee comprised of individuals from the Department and Orange County was convened to evaluate the proposals following the Proposal Evaluation Methodology Policy, approved by your Board. It was determined that First Class' proposal received the highest score. First Class was the selected vendor for this Agreement, as well as the proposer with the highest percentage of revenue to the County.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of this action will ensure the uninterrupted vending machine services for inmates who are being held in the Department's custody facilities. Additionally, it will allow for the continued growth of its IWF, which is the principal source of funding for educational and other programs to benefit the inmates.

CONCLUSION

Upon approval by your Board, please return two adopted copies of this Board letter and two original executed copies of the Agreement to the Department's Contracts Unit.

Sincerely,



LEROY D. BACA
Sheriff

LDB:IS:is



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**AGREEMENT
BY AND BETWEEN
COUNTY OF LOS ANGELES
AND
FIRST CLASS VENDING, INC.
FOR
VENDING MACHINE SERVICES – INMATES ONLY
FOR
LOS ANGELES COUNTY SHERIFF'S DEPARTMENT**

**AGREEMENT
BY AND BETWEEN
COUNTY OF LOS ANGELES
AND
FIRST CLASS VENDING, INC.
FOR
VENDING MACHINE SERVICES – INMATES ONLY**

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EXHIBIT M	CONTRACTOR'S PROPOSAL FOR RFP #344-SH-2009 (Incorporated by reference)

**AGREEMENT
BY AND BETWEEN
COUNTY OF LOS ANGELES
AND
FIRST CLASS VENDING, INC.
FOR
VENDING MACHINE SERVICES – INMATES ONLY**

This Agreement is made and entered into this 30th day of November, 2010, by and between the County of Los Angeles ("County") and First Class Vending, Inc., a corporation organized under the laws of California, located at 6875 Suva Street, Bell Gardens, California 90201 ("Contractor"), to provide Vending Machine Services - Inmates Only for the Los Angeles County Sheriff's Department ("Department").

RECITALS

WHEREAS, the Sheriff is authorized by the provisions of California Penal Code Section 4025 to operate a store in connection with the County jail for the purpose of selling goods, articles, and supplies of the type described herein to the inmates thereof; and

WHEREAS, County desires to enter into an agreement with a private vendor to provide vending machines services to inmates being held in Department Custody Facilities; and

WHEREAS, Contractor represents that it possesses the necessary experience, preparation, equipment, special skills, knowledge, technical competence, and staffing to provide the Vending Machine Services - Inmates Only required under this Agreement; and

WHEREAS, this Agreement (as defined below) is authorized pursuant to California Government Code Section 31000 and otherwise.

NOW THEREFORE, in consideration of the mutual covenants contained herein, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, County and Contractor agree as follows:

1. AGREEMENT AND INTERPRETATION

- 1.1 Agreement. This base document along with Exhibits A through I and Exhibits K through L, any attachments attached hereto or thereto, Exhibits J and M together with any attachments thereto which are incorporated herein by this reference, and any executed Change Order or Amendment from time to time hereto or thereto collectively constitute and throughout and hereinafter are referred to as the "Agreement." This Agreement shall constitute the complete and exclusive statement of understanding between County and Contractor and supersedes any and all prior or contemporaneous agreements, written or oral, and all

communications between the parties relating to the subject matter of this Agreement.

- 1.2 Interpretation. In the event of any conflict or inconsistency in the definition or interpretation of any word, responsibility, schedule, or the contents or description of any task, subtask, deliverable, goods, service, or other Work, or otherwise, such conflict or inconsistency shall be resolved by giving precedence first to this base document, and then to the Exhibits and any attachments thereto, according to the following priority:

1.2.1. Exhibit A – Additional Terms and Conditions

1.2.2. Exhibit C – County's Percentage of Revenue

1.2.3. Exhibit B – Statement of Work

Attachment 1	Custody Facilities
Attachment 2	Vending Machine Type By Facility
Attachment 3	Vending Menu and Price List
Attachment 4	Re-Stocking and Machine Maintenance Schedule
Attachment 5	Security of Personal Property
Attachment 6	L.A.S.D. Entry Application For Custody Facilities
Attachment 7	Contraband Defined
Attachment 8	Intentionally Omitted
Attachment 9	Photography and/or Press Relations
Attachment 10	Political Activity
Attachment 11	Technology Enhancement Specifications

1.2.4 Exhibit M - Contractor's Proposal for RFP No. 344-SH-2009
(incorporated by reference)

1.2.5 Exhibit J - Proof of Concept (POC) Architecture Report
(incorporated by reference)

1.2.6 Exhibit G - Performance Requirements Summary (PRS)

1.2.7 Exhibit D – Contractor's EEO Certification

1.2.8 Exhibit E1 - Contractor's Employee Acknowledgement and Confidentiality Agreement

Exhibit E2- Contractor's Non-Employee Acknowledgement and Confidentiality Agreement

1.2.9 Exhibit F - Contract Discrepancy Report

1.2.10 Exhibit H - Jury Service Ordinance

1.2.11 Exhibit I - Safely Surrendered Baby Law

1.2.12 Exhibit K - Non-Employee Injury Report

1.2.13 Exhibit L - Defaulted Property Tax Reduction Program

1.3 Additional Terms and Conditions. Without limiting the generality of Sub-paragraph 1.1 (Agreement), attached hereto as Exhibit A (Additional Terms and Conditions), and incorporated by reference herein, are additional terms and conditions to this Agreement. Contractor acknowledges and agrees that it shall be bound by the additional terms and conditions enumerated in such Exhibit as if such terms and conditions were enumerated in the body of this base document.

1.4 Construction. The words "herein", "hereof", and "hereunder" and words of similar import used in this Agreement refer to this Agreement, including all annexes, Attachments, Exhibits, and schedules as the context may require. Wherever from the context it appears appropriate, each term stated in either the singular or plural shall include the singular and the plural. Whenever examples are used in this Agreement with the words "including", "for example", "e.g.", "such as", "etc.", or any derivation of such words, such examples are intended to be illustrative and not limiting. Captions and Paragraph headings used in this Agreement are for convenience only and are not a part of this Agreement and shall not be used in construing the Agreement. References in this Agreement to Federal, State and/or other governmental statutes, codes, rules, regulations, ordinances, guidelines, directives and/or policies, including those copies of which are attached to this Agreement, shall mean and shall be to such statutes, codes, rules, regulations, ordinances, guidelines, directives and/or policies as amended from time to time.

2. DEFINITIONS

The following terms and phrases in quotation marks and with initial letters capitalized shall have the following specific meaning when used in this Agreement.

2.1 "Agreement" has the meaning set forth in Paragraph 1.1, Agreement.

2.2 "Alternate Contractor Project Manager" has the meaning set forth in Paragraph 4.2.1, Contractor Project Manager.

- 2.3 "Amendment" has the meaning set forth in Paragraph 6, Change Orders and Amendments.
- 2.4 "Background and Security Investigations Check" means the Department's inquiry into an individual's personal history that provides sufficient information to determine if the individual is eligible to be given permission to enter the secured areas of the Department's Custody Facilities. Potentially disqualifying criteria include, but are not limited to, incarceration in any federal prison, state prison or county jail within the last five (5) years; conviction of a murder; conviction of a sex crime; conviction of a weapons law violation; conviction of felonious assault or spousal abuse; conviction of bringing a controlled substance into a federal prison, state prison or county jail; conviction of possession of a controlled substance for sale; use of any controlled substance without a physician's authorization within the last five (5) years; currently on probation or parole; currently under psychiatric care; has a relative in a Los Angeles County jail facility; has a military history of dishonorable discharge, bad conduct, or undesirable discharge; or has outstanding warrants. Other determinations of exclusion may be made by the Department for reasons which are confidential or unique. Exceptions may be granted by the Department at its sole discretion.
- 2.5 "Billing Period" means the period that commences on the first day of the month and ends on the last day of that specific month.
- 2.6 "Board" means the Los Angeles County Board of Supervisors.
- 2.7 "Business Day" means Monday through Friday, excluding County observed holidays.
- 2.8 "Cash Vending Machines" or "Coin Operated Vending Machines" means those machines utilized within the Custody Facilities which allow for the sale of goods, such as snacks, sodas and over the counter medications, and the negotiation of transactions through the use of cash (coin or currency).
- 2.9 "Cashless Jail Computer System" means most Inmates housed within the Los Angeles County Jails are not allowed to possess cash or currency. In lieu of cash, Inmates maintain a debit account, administered by the Department. Items purchased by Inmates are charged to these debit accounts. Inmates, families, friends, and acquaintances may deposit funds into an Inmate's debit account.
- 2.10 "Change Order" has the meaning set forth in Paragraph 6, Change Orders and Amendments.
- 2.11 "Clearance Information" means the individual's personal information needed to complete a Background and Security Investigations Check. Personal information

includes, but is not limited to, name, date of birth, driver's license number, and social security number.

- 2.12 "Concession" means the privilege of engaging in the commercial activities authorized by this Agreement at the Custody Facilities designated therefore.
- 2.13 "Concession Premises" means the location within or at a Custody Facility which has been designated by the Department for the operation of vending machines.
- 2.14 "Contraband" is defined within the Department's Custody Manual 5-07/010.00, including, but not limited to, the items listed in Exhibit B, Statement of Work, Attachment 7.
- 2.15 "Contract Discrepancy Report" has the meaning set forth in Paragraph 3.2.3, County Project Manager.
- 2.16 "Contractor" means the sole proprietor, partnership, or corporation identified in the Recitals.
- 2.17 "Contractor Project Director" has the meaning set forth in Paragraph 4.1, Contractor Project Director.
- 2.18 "Contractor Project Manager" has the meaning set forth in Paragraph 4.2, Contractor Project Manager.
- 2.19 "County" has the meaning set forth in the Recitals.
- 2.20 "County Counsel" means County's Office of the County Counsel.
- 2.21 "County Project Director" has the meaning set forth in Paragraph 3.1, County Project Director.
- 2.22 "County Project Manager" has the meaning set forth in Paragraph 3.2, County Project Manager.
- 2.23 "County's Percentage of Revenue" has the meaning set forth in Paragraph 9.0.
- 2.24 "Custody Facility" or "Custody Facilities" means a detention facility or facilities used for the detention of persons pending arraignment during trial and upon a sentence of commitment. This also includes Patrol Station Jails (local detention facilities), Court Services Lock-ups (Court holding facilities), and any other location used for detention of persons in the custody of the Department.
- 2.25 "Debit Card Vending Machines" means those machines utilized within the Custody Facilities which allow for the sale of goods, such as snacks, sodas and over the counter medications, absent the use of cash (currency or coin), and the

negotiation of transactions through the use of a debit card inserted into a debit card reader in the vending machines, which then draws down the cost of the purchase from the value encoded on the debit card.

- 2.26 "Department" has the meaning set forth in the Recitals.
- 2.27 "Dispute Resolution Procedure" has the meaning set forth in Exhibit A, Additional Terms and Conditions, Paragraph 2.0, Dispute Resolution Procedure.
- 2.28 "Essential Tools" means any tools, keys, equipment, or any other material or equipment necessary to facilitate the performance of duties required under this Agreement. However, these Essential Tools must be in compliance with Exhibit B, Statement of Work, Attachment 5, Security of Personal Property, and County Project Director, County Project Manager, or Unit Commander has final authority to determine what Essential Tools are allowed within a Custody Facility.
- 2.29 "Fiscal Year" means the twelve (12) month period beginning July 1st and ending the following June 30th.
- 2.30 "Gross Proceeds" means the Gross Receipts minus the following items:
- A. Applicable Taxes, including sales tax and excise taxes, collected or required to be collected by Contractor from purchasers of vending machine menu items under this Agreement, regardless of whether the amount is stated to the purchasers as a separate charge, provided the amount of such taxes shall be shown on Contractor's accounting records, including but not limited to invoices and reports as hereinafter required; and
 - B. California Redemption Value, if applicable.
- 2.31 "Gross Receipts" means all revenue generated or the total of all monies collected from Contractor's vending machine sales under this Agreement.
- 2.32 "Initial Term" has the meaning set forth in Paragraph 7, Term.
- 2.33 "Inmate" means any person held or detained in any Department Custody Facility.
- 2.34 "Inmate Welfare Fund" means the fund established by the Sheriff under authority of Section 4025 of the California Penal Code.
- 2.35 "Invoice Discrepancy Report" or "IDR" has the meaning set forth in Paragraph 10.10, Invoice Discrepancy Report.
- 2.36 "Jail Information Management System" or "JIMS" means an Inmate tracking, record keeping, and trust accounting software system developed by Syscon

Justice Systems Canada Ltd. and Syscon Justice Systems, Inc. under County Agreement Number 74666.

- 2.37 "Jury Service Program" has the meaning set forth in Exhibit A, Additional Terms and Conditions, Paragraph 32.0, Compliance with Jury Service Program.
- 2.38 "L.A.S.D. Entry Application for Custody Facilities Form" means the application form, Exhibit B, Statement of Work, Attachment 6, L.A.S.D Entry Application for Custody Facilities Form, required for entry into the secured areas of the Department Custody Facilities, prepared by individual Contractor employees and submitted by Contractor to the County Project Manager.
- 2.39 "On-line System Maintenance" means digital manipulation of the servers and software that control the systems for the purpose of troubleshooting, maintenance, upgrades, configuration, and repair of the system.
- 2.40 "Option Term" has the meaning set forth in Paragraph 7, Term.
- 2.41 "Sheriff" means the elected official who is the Sheriff of the County of Los Angeles.
- 2.42 "Statement of Work" or "SOW" means the Statement of Work, attached as Exhibit B, Statement of Work to this Agreement, together with all Attachments thereto, as the same may be amended by any executed Change Order or Amendment. The Statement of Work is a written description of the Work required by County for this Agreement.
- 2.43 "Tax" and "Taxes" means governmental fees (including license, filing and registration fees) and all taxes (including franchise, excise, stamp, value added, income, gross receipts, gross revenue, import, export, sales, use, transfer, and property taxes), withholdings, assessments, levies, imposts, duties, charges, or interest thereon imposed.
- 2.44 "Technology Enhanced Vending Machines" means vending machines utilized within the Custody Facilities which allow for the sale of goods, such as snacks, sodas and over the counter medications, absent the use of cash (currency or coin), and the negotiation of transactions through the use of a wristband bar code reader which debits the Inmates trust account for the cost of the purchase.
- 2.45 "Term" has the meaning set forth in Paragraph 7, Term.
- 2.46 "Title 15 Meetings" means monthly meetings attended by Department's Custody Facilities Title 15 coordinators, Department's Business Management Unit staff, Department volunteers, contractors, and vendors wherein trends, noteworthy

events, issues, and concerns involving Inmate programs and services are discussed and resolved.

- 2.47 "Unit Commander" means a Department sworn employee, usually at the rank of Captain, who has the ultimate responsibility for all activities at a specific Custody Facility.
- 2.48 "Watch Commander" means a Department sworn employee, usually at the rank of Lieutenant, who has responsibility within a specific Custody Facility for line operations during a designated shift.
- 2.49 "Work" means any and all tasks, subtasks, deliverables, goods, and other services performed by or on behalf of Contractor including the work required pursuant to this Agreement, the Statement of Work, and all the Exhibits, executed Change Orders, and executed Amendments hereto.

3. ADMINISTRATION OF AGREEMENT – COUNTY

3.1 County Project Director.

- 3.1.1 "County Project Director" for this Agreement shall be the following person:

Unit Commander/Business Management Unit
Correctional Services Division
Twin Towers Correctional Facility
450 Bauchet Street, Room E-888
Los Angeles, California 90012

Phone: (323) 893-5111

Unless otherwise specifically noted, whenever this Agreement calls for a notice, report, or other delivery to be made by Contractor (or any representative thereof) to County Project Director, such notice, report, or other delivery shall be made to County Project Director in accordance with the notice information set forth above or in accordance with such other notice information as County may notify Contractor from time to time pursuant to Sub-paragraph 3.1.4.

- 3.1.2 County Project Director shall be responsible for ensuring that the objectives of this Agreement are met.
- 3.1.3 County Project Director shall be the person designated by County with authority for County on contractual or administrative matters relating to

this Agreement that specifically require the County Project Director on matters that cannot be resolved by the County's Project Manager.

- 3.1.4 County will notify Contractor of any change in the name or address of County Project Director.
- 3.1.5 Except as set forth in Paragraph 6 (Change Orders and Amendments) of this Agreement, County Project Director is not authorized to make any changes in any of the terms and conditions of this Agreement and is not authorized to further obligate County in any respect whatsoever.
- 3.1.6 County Project Director shall have the right at all times to inspect any and all Work provided by or on behalf of Contractor.
- 3.1.7 County Project Director and/or County Project Manager shall have final approval of Contractor Project Director and Contractor Project Manager, prior to assignment of persons to these positions.
- 3.1.8 County Project Director and/or County Project Manager shall have final approval of any replacements for Contractor Project Director and Contractor Project Manager, prior to assignment of persons to these positions.
- 3.1.9 To the extent that extensions of time for Contractor performance do not impact either the scope of Work or cost of this Agreement, County Project Director or his designee, at his discretion, may grant Contractor extensions of time in writing for the Work listed in the Statement of Work or otherwise in this Agreement provided that such extensions shall not extend the Term of this Agreement.

3.2 County Project Manager.

- 3.2.1 "County Project Manager" for this Agreement shall be the following person:

Operations Sergeant/Business Management Unit
Correctional Services Division
Twin Towers Correctional Facility
450 Bauchet Street, Room E-888
Los Angeles, California 90012

Phone: (323) 893-5878

Unless otherwise specifically noted, whenever this Agreement calls for a notice, report, or other delivery to be made by Contractor (or any

representative thereof) to County Project Manager, such notice, report, or other delivery shall be made to County Project Manager in accordance with the notice information set forth above or in accordance with such other notice information as County may notify Contractor from time to time pursuant to Sub-paragraph 3.2.2.

- 3.2.2 County shall notify Contractor of any change in the name or address of the County Project Manager.
- 3.2.3 County Project Manager shall issue a Contract Discrepancy Report, attached hereto as Exhibit F, to Contractor whenever a contract discrepancy is identified.
- 3.2.4 County Project Manager shall be a resource for addressing the technical standards and requirements of this Agreement, shall interface regularly with Contractor, and further shall have the duties from time to time given to such person by County.
- 3.2.5 County Project Manager is not authorized to make any changes in any of the terms and conditions of this Agreement, nor further obligate County in any respect whatsoever.
- 3.2.6 County Project Manager shall advise County Project Director as to Contractor's performance in areas relating to technical requirements and standards, County policy, information requirements, and procedural requirements.
- 3.2.7 County Project Manager and/or County Project Director shall have final approval of Contractor Project Director and Contractor Project Manager, prior to assignment of persons to these positions.
- 3.2.8 County Project Manager and/or County Project Director shall have final approval of any replacements for Contractor Project Director and Contractor Project Manager, prior to assignment of persons to these positions.
- 3.2.9 To the extent that extensions of time for Contractor performance do not impact either the scope of Work or cost of this Agreement, or unless otherwise specified, County Project Manager or his designee, at his discretion, may grant Contractor extensions of time in writing for the Work listed in the Statement of Work or otherwise in this Agreement provided that such extensions shall not extend the Term of this Agreement.

- 3.3 Consolidation of Duties. County reserves the right to consolidate the duties of County Project Director, which duties are enumerated in Paragraph 3.1, County Project Director, and the duties of County Project Manager, which duties are enumerated in Paragraph 3.2, County Project Manager, into one County position, and to assign all such duties to one individual who will act as County's liaison in all matters relating to this Agreement. County will notify Contractor no later than five (5) days prior to exercising its rights pursuant to this Paragraph 3.3.
- 3.4 County Personnel. All County personnel assigned to this Agreement shall be under the exclusive supervision of County. Contractor understands and agrees that all such County personnel are assigned only for the convenience of County.

4. ADMINISTRATION OF AGREEMENT – CONTRACTOR

4.1 Contractor Project Director.

- 4.1.1 "Contractor Project Director" shall be the following person, who shall be a full-time employee of Contractor:

Matthew Marsh
6875 Suva Street
Bell Gardens, California 90201

Office: (323) 268-7632
Cell: (213) 305-7814
Fax: (323) 268-4007

- 4.1.2 Contractor Project Director shall be responsible for Contractor's performance of all of the Work and ensuring Contractor's compliance with this Agreement.

During the Term of this Agreement, Contractor Project Director shall be available to meet and confer with County Project Director and/or County Project Manager monthly, or as needed, in person or by phone, at the discretion of County, to review project progress and discuss project coordination. Contractor Project Director shall attend regular management meetings set forth in Paragraph 4.4, Regular Management Meetings, below.

- 4.1.3 Contractor shall notify County in writing of any change in the name or address of Contractor Project Director.

4.2 Contractor Project Manager.

4.2.1 "Contractor Project Manager" shall be the following person who shall be a full-time employee of Contractor:

Richard Cassel
6875 Suva Street
Bell Gardens, California 90201

Office: (323) 268-7632
Cell: (714) 496-3777
Fax: (323) 268-4007

"Alternate Contractor Project Manager" shall be the following person who shall be a full-time employee of Contractor:

Alex Zendejas
6875 Suva Street
Bell Gardens, California 90201

Office: (323) 268-7632
Cell: (213) 448-9896
Fax: (323) 268-4007

4.2.2 Contractor Project Manager shall be responsible for Contractor's day-to-day activities as related to this Agreement.

4.2.3 During the Term of this Agreement, Contractor Project Manager shall be available to meet and confer as necessary, but no less frequently than weekly, with County, unless otherwise specified by County Project Director or County Project Manager. Contractor Project Manager shall attend regular management meetings set forth in Paragraph 4.4, Regular Management Meetings, below.

4.2.4 Contractor will notify County in writing of any change in the name or address of Contractor Project Manager or alternate Project Manager.

4.2.5 Contractor shall have a Contractor Project Manager and Alternate Project Manager who shall have full authority to act on behalf of Contractor on all matters relating to the daily operation of the Agreement. Contractor Project Manager and Alternate Contractor Project Manager shall:

4.2.5.1 Have a minimum of five (5) years experience in the vending machine business, unless otherwise approved in writing by County Project Director.

- 4.2.5.2 Contractor Project Manager or Alternate Contractor Project Manager must be available by telephone twenty-four (24) hours a day, seven (7) days a week in order to respond to emergencies or other critical operation requirements.
- 4.2.5.3 Contractor Project Manager and Alternate Contractor Project Manager shall be deemed acceptable only after approval by the County Project Director and/or County Project Manager, at their sole discretion. Contractor shall submit resumes of its proposed Contractor Project Manager and Alternate Contractor Project Manager to the County Project Director for review and approval. The County Project Director and/or County Project Manager and/or specified Department staff may interview Contractor's proposed Contractor Project Manager and Alternate Contractor Project Manager.
- 4.2.5.4 Contractor Project Manager and/or Alternate Contractor Project Manager shall be replaced within thirty (30) days when, as determined by County Project Director in his sole discretion, either individual fails to perform effectively and/or fails to ensure Contractor's compliance with the Agreement.
- 4.2.5.5 Any changes in the Contractor Project Manager and designated Alternate Contractor Project Manager shall be subject to the same approval guidelines as outlined in this Section 4.0.

4.3 Approval of Contractor Staff.

- 4.3.1 County has the absolute right to approve or disapprove all of Contractor's staff performing Work hereunder and any proposed changes in Contractor staff, including, but not limited to, Contractor Project Director, Contractor Project Manager, Alternate Contractor Project Manager, and Contractor employees.
- 4.3.2 During the Term of this Agreement, Contractor shall endeavor to assure continuity in Contractor staff performing work under this Agreement. Notwithstanding the foregoing, County Project Director may require removal of any Contractor staff at any time.
- 4.3.3 In the event Contractor should desire to remove any Contractor staff from performing Work under this Agreement, Contractor shall provide County with notice at least fifteen (15) days in advance, except in circumstances in which such notice is not possible (e.g., a removal for

cause or other egregious act), and shall work with County on a mutually agreeable transition plan so as to ensure project continuity.

- 4.3.4 Contractor shall fill any vacancy in Contractor staff with individuals having qualifications at least equivalent to those of Contractor staff being replaced and with prior approval and background clearance by County and comply with Exhibit B, Statement of Work, Section 13.0, Contractor Staff. Necessary background information on proposed person to fill the position shall be provided to County no less than fifteen (15) days prior to filling the position.
- 4.3.5 All staff employed by and on behalf of Contractor shall be adults, eighteen (18) years or older, who are legally eligible to work under the laws of the United States of America and the State of California. Contractor staff having direct contact with County (either by telephone, electronic or written correspondence, or in person) shall be fully fluent in both spoken and written English.
- 4.3.6 Contractor's staff shall adhere and meet the requirements of this Agreement and as further specified in Exhibit B, Statement of Work, Section 13.0, Contractor's Staff.
- 4.3.7 Any exceptions to the requirements listed in this Paragraph 4, Administration of Agreement – Contractor, must be pre-approved in writing by the County Project Director.

4.4 Regular Management Meetings

Contractor Project Director and/or Contractor Project Manager shall attend regularly scheduled management meetings, including Title 15 Meetings organized by the County Project Director. During the monthly Title 15 Meetings, Contractor shall present a monthly overview of vending sales, trends, and contemporary vending issues, which may include, but are not limited to, sale spikes, billing, Inmate complaints, machine maintenance, theft, security concerns involving vending machines, and any other problems being realized by the County or Contractor. Contractor Project Director and/or Contractor Project Manager and/or Alternate Contractor Project Manager may also be required to attend other meetings with the County Project Director, at the request of County.

5. WORK; APPROVAL AND ACCEPTANCE

Contractor shall fully and timely perform all Work under this Agreement, including pursuant to any executed Change Order or Amendment, in accordance with the terms and conditions of this Agreement.

If Contractor provides any deliverables, goods, services, or other Work, other than as specified in this Agreement, the same shall be deemed to be a gratuitous effort on the part of Contractor, and Contractor shall have no claim whatsoever against County.

6. CHANGE ORDERS AND AMENDMENTS

No representative of either County or Contractor, including those named in this Agreement, is authorized to make any changes in any of the terms, obligations, or conditions of this Agreement, except through the procedures set forth in this Paragraph 6, Change Orders and Amendments.

6.1 General

County reserves the right to change any portion of the Work required under this Agreement, or amend such other terms and conditions, as may become necessary. Any such revision shall be accomplished in the following manner:

- 6.1.1 For any change which does not materially affect the scope of Work, period of performance, amount or percentage rate of revenue, or any other term or condition included under this Agreement, a Change Order shall be executed by both County Project Director and Contractor Project Director. To the extent that extensions of time for Contractor performance do not impact either the scope of Work or amount or percentage rate of revenue of this Agreement, County Project Director, in County Project Director's discretion, may grant Contractor extensions of time in writing for the Work listed in the Statement of Work or otherwise in this Agreement provided that such extensions shall not extend the Term.
- 6.1.2 The Board or County's Chief Executive Officer or designee may require the addition and/or change of certain terms and conditions in the Agreement during the term of this Agreement. County reserves the right to add and/or change such provisions as required by the Board or County's Chief Executive Officer. To implement such changes, an Amendment to the Agreement shall be prepared and executed by Contractor and by Sheriff.
- 6.1.3 For any change that materially affects the scope of Work, period of performance, amount or percentage rate of revenue, or any other term or condition in the Agreement, a negotiated Amendment to this Agreement shall be executed by the Board or designee and Contractor.
- 6.1.4 Notwithstanding Sub-paragraphs 6.1.1, 6.1.2 and 6.1.3, the County Project Director shall have the authority to execute a Change Order changing the vending menu items, sale price of vending menu items,

number of vending machines, type of vending machine, location of vending machines, adding or deleting Custody Facilities, schedule and or frequency of vending machine maintenance, and schedule and/or frequency of vending machine re-stocking to the extent such Change Orders are consistent with the terms and conditions of the Agreement and within the scope of the Agreement, unless otherwise specified in Sub-paragraph 6.1.4.1 below.

6.1.4.1 In situations where security is compromised by a vending machine and Contractor is required to repair, remove, or relocate a vending machine within four (4) hours or less from the time of notification, refer to Exhibit B, Statement of Work, Section 4.12.3, a written request will be provided to Contractor with an immediate effective date. An executed Change Order will follow such written request as specified in Sub-paragraph 6.1.4 above.

6.1.5 Notwithstanding Sub-paragraphs 6.1.1, 6.1.2, 6.1.3 and 6.1.4, the Sheriff shall have the authority to execute an Amendment following the Proof of Concept on the technology enhancements described in Exhibit B, Statement of Work, Section 15.0, Technology Enhancements, to deploy additional Technology Enhanced Vending Machines.

7. TERM

This Agreement is effective upon execution by the County Board of Supervisors and shall continue for a period of three (3) years, unless terminated earlier in whole or in part, as provided in this Agreement (the "Initial Term"). The Sheriff has the option, at the Sheriff's discretion and upon notice to Contractor prior to the end of the then-current period of the Agreement Term, to extend the term of this Agreement for up to two additional one (1) year periods, and thereafter for a maximum of six (6) months in any increment (each an "Option Term"). As used herein, the "Term" shall mean the Initial Term and, if extended, each Option Term, as the case may be. Each such extension shall be exercised individually by written Amendment signed by Sheriff and Contractor.

Contractor shall notify the County Project Manager and County Project Director when the Initial Term, or when each Option Term, as the case may be, is within six (6) months from the expiration of the Initial Term, or such Option Term, as the case may be, as provided for in this Paragraph 7 (Term).

8. PRICING SCHEDULE

The pricing schedule for vending machine menu items is specified in Exhibit B, Statement of Work, Attachment 3, Vending Menu and Price List. The prices are subject

to change pursuant to the procedures specified in Exhibit B, Statement of Work, of this Agreement.

9. COUNTY'S PERCENTAGE OF REVENUE

County shall be entitled to receive 38.6% of the Gross Proceeds from the Vending Machine Services - Inmates Only, as set forth in Exhibit C, County's Percentage of Revenue.

Contractor shall be entitled to receive 61.4% of the Gross Proceeds from the Vending Machine Services – Inmates Only, as set forth in Exhibit C, County's Percentage of Revenue.

Contractor shall not be entitled to payment or reimbursement for any task, deliverable, goods, services, and/or another work, nor for any incidental or administrative expenses whatsoever incurred in or incidental to performance hereunder, except where such payment or reimbursement is specifically authorized in this Agreement.

10. INVOICES, REPORTS, AND PAYMENTS

10.1 Invoices and Reports

Because County will be in possession of all Gross Receipts for Debit Card Vending Machine and Technology Enhanced Vending Machine sales, Contractor shall be required to submit to County a monthly "invoice" for payment related to such sales. However, because Contractor will be in possession of all Gross Receipts for Cash Vending Machine sales, Contractor shall be required to submit to County a monthly "report" evidencing such sales and remit payment to County for the full amount due to County as set forth in this Agreement.

10.2 Approval of Invoices

All invoices submitted by Contractor to County for payment must have the written approval of County Project Director or County Project Manager, as evidenced by County Project Director's countersignature, prior to any payment thereof. In no event shall County be liable or responsible for any payment to Contractor prior to such written approval.

10.3 Invoice and Report Detail

Contractor shall submit a monthly invoice and a monthly report for the prior monthly Billing Period to the County Project Manager by the tenth (10th) day of the month following the month in which services were provided, unless otherwise specified by County Project Director.

Invoices and reports shall include the following information:

- a) Date
- b) Contractor Name, address, and phone number
- c) Agreement Number
- d) Amount due or Amount payable

Invoices and reports shall indicate the following line items:

- a) Date of monthly Billing Period
- b) Gross Receipts
- c) Applicable Tax, i.e. sales tax
- d) California Redemption Value paid by Contractor
- e) Gross Proceeds
- f) County's Percentage of Revenue of Gross Proceeds

Attached to the monthly invoices and reports shall be a listing, sorted by vending machine location and vending machine number, which shall include, but shall not be limited to, the following information:

- a) Vending machine location
- b) Vending machine number
- c) All items and quantities sold by vending machine number
- d) Total sales tax by vending machine number and location
- e) Total sales by vending machine number and location

County Project Director and/or County Project Manager may require that additional information be added to or attached to the monthly invoices and reports. County also reserves the right to request additional information from Contractor to substantiate the information and amounts set forth on the monthly invoices and reports.

10.4 Submission of Invoices and Reports

Contractor shall submit an original and one (1) copy of each invoice or report addressed as shown below:

ORIGINAL TO:

Los Angeles County Sheriff's Department
Operations Sergeant/Business Management Unit
Correctional Services Division
Twin Towers Correctional Facility
450 Bauchet Street, Room E-888
Los Angeles, California 90012

COPY TO:

Los Angeles County Sheriff's Department
Fiscal Administration
Accounts Payable Section – Contract Billing
4700 Ramona Boulevard, 3rd Floor
Monterey Park, California 91754

10.5 Payment

County shall pay Contractor's invoice within thirty (30) days from the date of receipt of invoice. The obligation of County's invoice payment shall be limited and contingent upon the reconciliation of Contractor's invoices and County's records.

Contractor shall pay County the amount due to County set forth on Contractor's report by the tenth (10th) day of the month following the month in which services were provided, unless otherwise specified by County Project Director. This date is the same day that the monthly report is due to County pursuant to Subparagraph 10.3 above. In the event Contractor does not submit payment on or before the due date specified above, a late payment penalty of ten percent (10%) may be assessed.

Payment shall be in a form of a check issued and payable to Los Angeles County Sheriff's Department-Inmate Welfare Fund which shall be mailed or otherwise delivered to the following address:

Los Angeles County Sheriff's Department
Operations Sergeant/Business Management Unit
Correctional Services Division
Twin Towers Correctional Facility
450 Bauchet Street, Room E-888
Los Angeles, California 90012

In the event an audit(s) reveals payments transmitted by County to Contractor exceed the actual amount due to Contractor, Contractor shall return such over payment to County within fifteen (15) days from date on notice of such overpayment. Such monies shall be deposited back into the Inmate Welfare Fund. In instances where overpayment is attributable to Contractor negligence or a similar failing, an assessment of fifteen percent (15%) of such overpayment, as determined by the County Project Director, shall be imposed. Assessments shall be paid to County within thirty (30) days from date on notice of such overpayment and shall similarly be deposited back into the Inmate Welfare Fund

10.6 Taxes

Contractor shall be solely responsible for reporting and submitting all applicable Taxes, including sales taxes, and revenue to the proper State and Federal agencies.

10.7 No Out-of-Pocket Expenses.

Contractor acknowledges that out-of-pocket expenses, including travel, meal, and lodging expenses, are not reimbursable by County. Accordingly, Contractor's invoices and reports shall not include out-of-pocket expenses.

10.8 Contractor Responsibility

Contractor is responsible for the accuracy of invoices and reports submitted to County. Further, it is the responsibility of Contractor to reconcile or otherwise correct inaccuracies or inconsistencies in the invoices and reports submitted by Contractor.

10.9 County's Right to Withhold

In addition to any rights of County provided in this Agreement, or at law or in equity, County may, upon notice to Contractor, withhold payment for any Work while Contractor is in default hereunder, or at any time that Contractor has not provided County approved Work.

10.10 Invoice Discrepancy Report

County Project Manager or designee shall review all invoices for discrepancies and issue an "Invoice Discrepancy Report" (or "IDR") to Contractor if payment amounts are disputed. Contractor shall review the disputed charges and submit to County Project Manager a written explanation detailing the basis for the charges within ten (10) days of receipt of the IDR from County Project Manager and when applicable, shall cure that amount disputed within fifteen (15) days from the receipt of the IDR. If County Project Manager does not receive a written response from Contractor within ten (10) days of County's notice to Contractor of an IDR, then payment will be made by County less the disputed charges. None of this shall preclude County from seeking remedy from Contractor for discrepancies discovered at any time during the Term of the Agreement.

11. LIQUIDATED DAMAGES

- 11.1 If, in the judgment of County Project Director, Contractor is deemed to be non-compliant with the terms and obligations assumed hereby, County Project Director, at his or her option, in addition to, or in lieu of, other remedies provided herein, may withhold the entire monthly payment or deduct pro rata from

Contractor's invoice for Work not performed. Information regarding the Work not performed and the amount to be withheld or deducted from payments to Contractor from County will be forwarded to Contractor by County Project Director in a written notice describing the reasons for said action.

- 11.2 If County Project Director determines that there are deficiencies in the performance of this Agreement that are correctable by Contractor over a certain time span, County Project Director will provide a written notice to Contractor to correct the deficiency within specified time frames. Should Contractor fail to correct deficiencies within said time frame, County Project Director may:
 - 11.2.1 Deduct from Contractor's payment, pro rata, those applicable amounts; and/or
 - 11.2.2 Deduct liquidated damages. The parties agree it would be difficult and impractical to fix the extent of actual damages resulting from the failure of Contractor to correct a deficiency within the specified time frame in advance of actual event(s) occurring. The parties therefore hereby agree that under the current circumstances a reasonable estimate of such damages is one hundred dollars (\$100) per day, per infraction, or as specified in the Performance Requirements Summary (PRS) Chart, as defined in Exhibit G of this Agreement, and that Contractor shall be liable to County for liquidated damages in the said amount. Said amount shall be deducted from County's payment to Contractor; and/or
 - 11.2.3 Upon giving five (5) days notice to Contractor for failure to correct the deficiencies, County may correct any and all deficiencies and the total costs incurred by County for completion of the Work by an alternate source, whether it be County forces or separate private contractor, will be deducted and forfeited from the payment to Contractor from County, as determined by County.
- 11.3 The action noted in Paragraph 11.2 shall not be construed as a penalty, but as an adjustment of payment to Contractor to recover County cost due to the failure of Contractor to complete or comply with the provisions of this Agreement.
- 11.4 This Sub-paragraph shall not, in any manner, restrict or limit County's right to damages for any breach of this Agreement provided by law or as specified in the PRS Chart, Exhibit G, or Paragraph 11.2, and shall not, in any manner, restrict or limit County's right to terminate the Agreement as agreed to herein.

12. NOTICES

All notices or demands required or permitted to be given or made under this Agreement, unless otherwise specified, shall be in writing and shall be addressed to the parties at

the following addresses and delivered: (a) by hand with signed receipt; (b) by first-class registered or certified mail, postage prepaid; (c) by facsimile transmission followed within twenty-four (24) hours by a confirmation copy mailed by first-class registered or certified mail, postage prepaid; or (d) by overnight commercial carrier, with signed receipt. Notice is deemed given at the time of signed receipt in the case of hand delivery, three (3) days after deposit in the United States mail as set forth above, on the date of facsimile or electronic mail transmission if followed by timely confirmation mailing, or on the date of signature receipt by the receiving party of any overnight commercial carrier delivery. Addresses may be changed by either party by giving ten (10) days prior notice thereof in accordance with the delivery procedures set forth above, to the other party.

To County: (1) Los Angeles County Sheriff's Department
Unit Commander/Business Management Unit
Correctional Services Division
Twin Towers Correctional Facility
450 Bauchet Street, Room E-888
Los Angeles, California 90012
Facsimile: (323) 415-3808

with a copy to:

(2) Los Angeles County Sheriff's Department
Contracts Unit
4700 Ramona Boulevard, Room 214
Monterey Park, California 91754-2169
Attention: Assistant Director
Facsimile: (323) 415-6874

To Contractor: First Class Vending Inc.
6875 Suva Street
Bell Gardens, California 90201
Attention: President
Facsimile: (323) 268-4007

County Project Director shall have the authority to issue all notices or demands, which are required or permitted by County under this Agreement.

13. ARM'S LENGTH NEGOTIATIONS

This Agreement is the product of an arm's length negotiation between Contractor and County. Each party has had at all times the opportunity to receive advice from independent counsel of its own choosing. Accordingly, this Agreement is to be

interpreted fairly as between the parties, and not strictly construed as against either party as drafter or creator.

14. SURVIVAL

The following Paragraphs of this Agreement shall survive its expiration or termination for any reason: 1 (Agreement and Interpretation), 2 (Definitions), 9 (County's Percentage of Revenue), 8 (Pricing Schedule), 10 (Invoices and Payments), 11 (Liquidated Damages), 12 (Notices) and 13 (Arm's Length Negotiations). And, all the terms and conditions set forth in Exhibit A (Additional Terms and Conditions) shall survive its expiration or termination for any reason.

**AGREEMENT
BY AND BETWEEN
COUNTY OF LOS ANGELES
AND
FIRST CLASS VENDING, INC.
FOR
VENDING MACHINE SERVICES – INMATES ONLY**

IN WITNESS WHEREOF, the Los Angeles County Board of Supervisors has caused this Agreement to be subscribed by its Chair and the seal of such Board to be hereto affixed and attested by the Executive Officer thereof, and Contractor has caused this Agreement to be subscribed in its behalf by its authorized officer.

COUNTY OF LOS ANGELES

By *Gloria Trubiana*
Chair, Board of Supervisors

ATTEST:
SACHI A. HAMAI
Executive Officer
Los Angeles County
Board of Supervisors



I hereby certify that pursuant to
Section 25103 of the Government Code,
delivery of this document has been made.

SACHI A. HAMAI
Executive Officer
Clerk of the Board of Supervisors

By *Lachelle Smitheman*
Deputy

By *Lachelle Smitheman*
Deputy

FIRST CLASS VENDING, INC.

By *[Signature]*
Title *President*

APPROVED AS TO FORM:
ANDREA SHERIDAN ORDIN
County Counsel

By *Michele Jackson*
Michele Jackson
Deputy County Counsel

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

48 NOV 30 2010

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER
Vending Machine Services – Inmates Only

EXHIBIT A

ADDITIONAL TERMS AND CONDITIONS

VENDING MACHINE SERVICES – INMATES ONLY

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EXHIBIT A

ADDITIONAL TERMS AND CONDITIONS

The following additional terms and conditions are applicable to, and form a part of, the Agreement. Capitalized terms not otherwise defined in this Exhibit A, Additional Terms and Conditions, as used in this Exhibit A, Additional Terms and Conditions (this "Exhibit"), have the meanings given to such terms in the base document of the Agreement.

1.0 SUBCONTRACTING

1.1 General

County has relied, in entering into the Agreement, on the reputation of and on obtaining the personal performance of Contractor itself. Consequently, no performance of the Agreement, or any portion thereof, shall be subcontracted by Contractor except in accordance with the procedures set forth in this Paragraph 1.0 (Subcontracting). Any attempt by Contractor to subcontract any performance, obligation, or responsibility under the Agreement, except in accordance with the procedures set forth in this Paragraph 1.0 (Subcontracting), shall be null and void and shall constitute a material breach of the Agreement, upon which County may immediately terminate the Agreement.

1.2 Procedure for Subcontracting

If Contractor desires to subcontract any portion of its performance, obligations, or responsibilities under the Agreement to any subcontractor, Contractor shall adhere to the following procedures.

- 1.2.1 Contractor shall notify the County Project Director of its desire to subcontract a portion of the Work, which notice shall include the reason for the proposed subcontract, and a description of the Work to be performed under the proposed subcontract.
- 1.2.2 The identity of such subcontractor and why such subcontractor was selected.
- 1.2.3 A certificate of insurance from the proposed subcontractor which establishes that the subcontractor maintains all the programs of insurance required by the Agreement.
- 1.2.4 If the proposed Work is to be performed by a subcontractor, then in addition to the foregoing, Contractor shall provide:
 - i. A draft copy of the proposed subcontract. The material provisions of any approved subcontract between Contractor and a third party

may be changed or amended, as applicable, only with the prior written approval of the County Project Director, which approval shall not be unreasonably withheld; and

- ii. Any other information and/or certifications reasonably requested by County.

The County Project Director will review Contractor's request to subcontract and determine, in his discretion, whether or not to consent to such request on an individual basis. Without limiting in any way County's prior approval rights, Contractor shall deliver to the County Project Director a fully executed copy of each subcontract entered into by Contractor pursuant to this Subparagraph 1.2.4, on or immediately after the effective date of the subcontract but in no event later than the date any Work is performed under the subcontract.

- 1.2.5 Contractor shall obtain an executed Contractor Non-Employee Acknowledgement and Confidentiality Agreement (see Exhibit E2, Contractor's Non-Employee Acknowledgement and Confidentiality Agreement) for each of subcontractor's employees performing Work under the subcontract. Such agreements shall be delivered to the County Project Director on or immediately after the effective date of the particular subcontract but in no event later than the date any such employee commences performing Work under the subcontract.

1.3 Contractor Responsibilities.

- 1.3.1 Notwithstanding any County consent to any subcontracting, Contractor shall remain responsible for any and all performance required of it under the Agreement, including the obligation properly to supervise, coordinate, and perform, all Work required hereunder, and no subcontract shall bind or purport to bind County. Further, County approval of any subcontract shall not be construed to limit in any way Contractor's performance, obligations, or responsibilities, to County.
- 1.3.2 In the event that County consents to any subcontracting, such consent shall be subject to County's right to reject any and all subcontractor personnel providing services under such subcontract.
- 1.3.3 In the event that County consents to any subcontracting, Contractor shall cause the subcontractor, on behalf of itself, its successors and administrators, to assume and be bound by and shall be deemed to have assumed and agreed to be bound by each and all of the provisions of the Agreement and any executed Change Order or Amendment hereto as it relates to or affects the Work performed by subcontractor hereunder.

- 1.3.4 Contractor shall be solely liable and responsible for any and all payments and other compensation to all subcontractors and their officers, employees, and agents. County shall have no liability or responsibility whatsoever for any payment or other compensation for any subcontractors or their officers, employees, and agents.

2.0 DISPUTE RESOLUTION PROCEDURE

2.1 General

Contractor and County agree to act immediately to resolve mutually any disputes that may arise with respect to the Agreement. All such disputes shall be subject to the provisions of this Paragraph 2.0, Dispute Resolution Procedure (such provisions are collectively referred to as the "Dispute Resolution Procedures"). Time is of the essence in the resolution of disputes.

2.2 Continued Work

Contractor and County agree that, the existence and details of a dispute notwithstanding, both parties shall continue without delay their performance hereunder, except for any performance, other than payment by County for approved Work, which the parties mutually determine should be delayed as a result of such dispute.

2.2.1 If Contractor fails to continue without delay its performance hereunder that County, in its discretion, determines should not be delayed as a result of such dispute, then any additional costs which may be incurred by Contractor or County as a result of Contractor's failure to continue to so perform shall be borne by Contractor, and Contractor shall make no claim whatsoever against County for such costs. Contractor shall promptly reimburse County for such County costs, as determined by the County, or County may deduct or offset all such additional costs from any amounts due to Contractor from County.

2.2.2 If County fails to continue without delay to perform its responsibilities under the Agreement which County, in its discretion, determines should not be delayed as a result of such dispute, then any additional costs incurred by Contractor or County as a result of County's failure to continue to so perform shall be borne by County, and County shall make no claim whatsoever against Contractor for such costs. County shall promptly reimburse Contractor for all such additional Contractor costs subject to the approval of such costs by County.

2.3 Dispute Resolution Procedures

In the event of any dispute between the parties with respect to the Agreement, Contractor and County shall submit the matter as follows:

- 2.3.1 Contractor and County shall first submit the matter to their respective Project Managers for the purpose of endeavoring to resolve such dispute.
- 2.3.2 If the Project Managers are unable to resolve the dispute within a reasonable time, not to exceed five (5) Business Days from the date of submission of the dispute, then the matter immediately shall be submitted to the parties' respective Project Directors for further consideration and discussion to attempt to resolve the dispute.
- 2.3.3 If the Project Directors are unable to resolve the dispute within a reasonable time not to exceed five (5) Business Days from the date of submission of the dispute, then the matter shall be immediately submitted to Contractor's president or chief operating officer and the Sheriff. These persons shall have five (5) Business Days to attempt to resolve the dispute.
- 2.3.4 In the event that at these levels, there is not a resolution of the dispute acceptable to both parties, then each party may assert its other rights and remedies provided under the Agreement and its rights and remedies as provided by law.

2.4 Documentation of Dispute Resolution Procedures

All disputes utilizing the Dispute Resolution Procedure shall be documented in writing by each party and shall state the specifics of each alleged dispute and all actions taken. The parties shall act in good faith to resolve all disputes. At all three (3) levels described in Sub-paragraph 2.3, Dispute Resolution Procedures, the efforts to resolve a dispute shall be undertaken by conference between the parties' respective representatives, either orally, by face-to-face meeting or by telephone, or in writing by exchange of correspondence.

2.5 Not Applicable to County's Right to Terminate

Notwithstanding any other provision of the Agreement, County's right to terminate the Agreement pursuant to Paragraph 4.0, Termination for Insolvency; Paragraph 5.0, Termination for Default; Paragraph 6.0, Termination for Convenience; or Paragraph 7.0, Termination for Improper Consideration, in each case, of this Exhibit, or any other termination provision under this Agreement, shall not be subject to the Dispute Resolution Procedure. The preceding sentence is intended only as a clarification of County's rights, and shall not be

deemed to impair any claims that Contractor may have against County or Contractor's rights to assert such claims after any such termination or such injunctive relief has been obtained.

3.0 CONFIDENTIALITY

3.1 General

- 3.1.1 Contractor shall maintain the confidentiality of all records and information, events or circumstances which occur during the course of Contractor's performance under the Agreement, in accordance with all applicable Federal, State, and local laws, rules, regulations, ordinances, guidelines, policies and procedures, and directives relating to confidentiality, including, without limitation, County policies concerning information technology security and the protection of confidential records and information.
- 3.1.2 Contractor shall indemnify, defend, and hold harmless County, its officers, employees, and agents, from and against any and all claims, demands, damages, liabilities, losses, costs and expenses, including, without limitation, defense costs and legal, accounting and other expert, consulting, or professional fees, arising from, connected with, or related to any failure by Contractor, its officers, employees, agents, or subcontractors, to comply with this Paragraph 3.0, as determined by County in its sole judgment. Any legal defense pursuant to Contractor's indemnification obligations under this Paragraph 3.0 shall be conducted by Contractor and performed by counsel selected by Contractor and approved by County. Notwithstanding the preceding sentence, County shall have the right to participate in any such defense at its sole cost and expense, except that in the event Contractor fails to provide County with a full and adequate defense, as determined by County in its sole judgment, County shall be entitled to retain its own counsel, including, without limitation, County Counsel, and reimbursement from Contractor for all such costs and expenses incurred by County in doing so. Contractor shall not have the right to enter into any settlement, agree to any injunction, or make any admission, in each case, on behalf of County without County's prior written approval.
- 3.1.3 Contractor shall inform all of its directors, officers, shareholders, employees, subcontractors and agents providing services hereunder of the confidentiality provisions of this Agreement. Contractor shall provide to County an executed Contractor Employee Acknowledgement and Confidentiality Agreement (Exhibit E1 to the Agreement) for each of its employees performing Work under the Agreement and a Contractor Non-Employee Acknowledgement and Confidentiality Agreement (Exhibit E2 to the Agreement) for each of its subcontractor's employees performing

Work under the Agreement. Notwithstanding anything herein to the contrary, Contractor acknowledges and agrees that it is responsible for any breach of the obligations of confidentiality set forth herein by any person, or entity to which Contractor discloses such confidential information.

3.2 Disclosure of Information.

3.2.1 With respect to any confidential information obtained by Contractor pursuant to the Agreement, Contractor shall: (a) not use any such records or information for any purpose whatsoever other than carrying out the express terms of the Agreement; (b) promptly transmit to County all requests for disclosure of any such records or information; (c) not disclose, except as otherwise specifically permitted by the Agreement, any such records or information to any person or organization other than County without County's prior written authorization that the records are, or information is, releasable; and (d) at the expiration or termination of the Agreement, return all such records and information to County or maintain such records and information according to the written procedures sent to Contractor by County for this purpose.

3.2.2 Without limiting the generality of Sub-paragraph 3.2.1 of this Exhibit, in the event Contractor receives any court or administrative agency order, service of process, or request by any person or entity (other than Contractor's professionals) for disclosure of any such details, Contractor shall immediately notify the County Project Director. Thereafter, Contractor shall comply with such order, process, or request only to the extent required by applicable law. Notwithstanding the preceding sentence, to the extent permitted by law, Contractor shall delay such compliance and cooperate with County to obtain relief from such obligations to disclose until County shall have been given a reasonable opportunity to obtain such relief.

3.3 Contractor Information

Any and all confidential or proprietary information which is developed or was originally acquired by Contractor outside the scope of this Agreement, which Contractor desires to use hereunder, and which Contractor considers to be proprietary or confidential, must be specifically identified by Contractor to the County Project Director as proprietary or confidential, and shall be plainly and prominently marked by Contractor as "proprietary" or "confidential." County shall undertake reasonably to maintain the confidentiality of materials marked by Contractor as "proprietary" or "confidential." Notwithstanding any other provision of this Agreement, County shall not be obligated in any way under this Agreement for:

- 3.3.1 Any of Contractor's proprietary and/or confidential materials not plainly and prominently marked with restrictive legends;
- 3.3.2 Any disclosure of any materials which County is required to make under the California Public Records Act or otherwise by law; and
- 3.3.3 Any materials indicating the volume, frequency and type of goods and services provided by Contractor, including, but not limited to use under Paragraph 24.0 (Re-solicitation of Bids, Proposals, or Information).

3.4 Use of County Name

In recognizing Contractor's need to identify its services and related clients to sustain itself, County shall not inhibit Contractor from publishing its role under the Agreement within the following conditions:

- 3.4.1 Contractor shall develop all publicity material in a professional manner.
- 3.4.2 During the Term, Contractor shall not publish or disseminate any commercial advertisements, press releases, feature articles, or other materials using the name of County without the prior written consent of the County Project Director, which shall not be unreasonably withheld or delayed.
- 3.4.3 Contractor may, without the prior written consent of County, indicate in its proposals and sales materials that it has been awarded the Agreement with County, provided that the requirements of this Sub-paragraph 3.4, Use of County Name, (other than the requirements set forth in Sub-paragraph 3.4.2) shall apply.
- 3.4.4 Notwithstanding anything herein to the contrary, County reserves the right to object to any use of County's name and Contractor shall cure promptly and prospectively any use of County's name that has been objected to by County.

3.5 Injunctive Relief

Contractor acknowledges that a breach by Contractor of this Paragraph 3.0, Confidentiality, may result in irreparable injury to County that may not be adequately compensated by monetary damages and that, in addition to County's other rights under the Agreement and at law and in equity, County shall have the right to injunctive relief to enforce the provisions of this Paragraph 3.0, Confidentiality.

4.0 TERMINATION FOR INSOLVENCY

- 4.1 County may terminate the Agreement immediately at any time following the occurrence of any of the following:
- 4.1.1 Contractor has ceased to pay or has admitted in writing its inability to pay its debts for at least sixty (60) days in the ordinary course of business or cannot pay its debts as they become due, whether or not a petition has been filed under the United States Bankruptcy Code and whether or not Contractor is insolvent within the meaning of the United States Bankruptcy Code, provided that Contractor shall not be deemed insolvent if it has ceased in the normal course of business to pay debts that Contractor disputes in good faith;
 - 4.1.2 The filing of a voluntary or involuntary petition (which involuntary petition is not dismissed within sixty (60) days) regarding Contractor under the United States Bankruptcy Code;
 - 4.1.3 The appointment of a receiver or trustee for Contractor; or
 - 4.1.4 The execution by Contractor of a general assignment for the benefit of creditors other than in the course of arranging financial lines of credit.
- 4.2 The rights and remedies of County provided in this Paragraph 4.0, Termination for Insolvency, shall not be exclusive and are in addition to any other rights and remedies provided at law or in equity, or under the Agreement.
- 4.3 Contractor agrees that if Contractor as a debtor-in-possession, or if a trustee in bankruptcy, rejects the Agreement, County may elect to retain its rights under the Agreement, as provided under Section 365(n) of the United States Bankruptcy Code (11 U.S.C. Section 365(n)). Upon written request by County to Contractor or the trustee in bankruptcy, as applicable, Contractor or such trustee shall allow County to exercise all of its rights and benefits under the Agreement. The foregoing shall survive the termination or expiration of the Agreement for any reason whatsoever.

5.0 TERMINATION FOR DEFAULT

- 5.1 County may, by written notice to Contractor, terminate the whole or any part of this Agreement, if, in the judgment of County's Project Director:
- Contractor has materially breached this Agreement; or
 - Contractor fails to timely provide and/or satisfactorily perform any task, deliverable, service, or other work required either under this Agreement; or

- Contractor fails to demonstrate a high probability of timely fulfillment of performance requirements under this Agreement, or of any obligations of this Agreement and in either case, fails to demonstrate convincing progress toward a cure within five (5) working days (or such longer period as the County may authorize in writing) after receipt of written notice from the County specifying such failure.

- 5.2 In the event that County terminates this Agreement in whole or in part as provided in Subparagraph 5.1, County may procure, upon such terms and in such manner as County may deem appropriate, goods and services similar to those so terminated. Contractor shall be liable to County for any and all excess costs incurred by County, as determined by County, for such similar goods and services. Contractor shall continue the performance of this Agreement to the extent not terminated under the provisions of this Subparagraph.
- 5.3 If, after County has given notice of termination under the provisions of this Paragraph 5.0, it is determined by County that Contractor was not in default under the provisions of this Paragraph 5.0, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to Paragraph 6.0 (Termination for Convenience).
- 5.4 The rights and remedies of County provided in this Paragraph 5.0 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

6.0 TERMINATION FOR CONVENIENCE

6.1 Termination for Convenience

The Agreement may be terminated, in whole or in part from time to time, by County in its sole discretion for any reason. Termination of Work hereunder shall be effected by delivery to Contractor of a notice of termination specifying the extent to which performance of Work is terminated and the date upon which such termination becomes effective. The date upon which such termination becomes effective shall be no less than thirty (30) days after notice.

6.2 No Prejudice; Sole Remedy

Nothing in this Paragraph 6.0, Termination for Convenience, is deemed to prejudice any right of Contractor to make a claim against the County in accordance with this Agreement and applicable law and County procedures for payment for Work through the effective date of termination. Contractor, however, acknowledges that the rights and remedies set forth in this Sub-paragraph 6.2 shall be the only remedy available to Contractor in the event of a termination or suspension pursuant to this Paragraph 6.0, Termination for Convenience, by County.

7.0 TERMINATION FOR IMPROPER CONSIDERATION

- 7.1 County may, upon written notice to Contractor, immediately terminate the right of Contractor to proceed under the Agreement if it is found that consideration, in any form, was offered or given by Contractor, either directly or through an intermediary, to any County officer, employee or agent with the intent of securing the Agreement or securing favorable treatment with respect to the award, amendment or extension of the Agreement or the making of any determinations with respect to Contractor's performance pursuant to the Agreement. In the event of such termination, County shall be entitled to pursue the same remedies against Contractor as it could pursue in the event of default by Contractor.
- 7.2 Contractor shall immediately report any attempt by a County officer or employee to solicit such improper consideration. The report shall be made either to the County manager charged with the supervision of the employee or to County Auditor-Controller's Employee Fraud Hotline at (800) 544-6861.
- 7.3 Among other items, such improper consideration may take the form of cash, discounts, service, the provision of travel or entertainment, or tangible gifts.

8.0 EFFECT OF TERMINATION

8.1 Remedies

In the event that County terminates the Agreement in whole or in part as provided in Paragraph 4.0, Termination for Insolvency; Paragraph 5.0, Termination for Default; Paragraph 6.0, Termination for Convenience; Paragraph 7.0, Termination for Improper Consideration, in each case, of this Exhibit, then:

- 8.1.1 Contractor shall (a) stop performing Work under the Agreement on the date and to the extent specified in such notice, (b) promptly transfer and deliver to County copies of all completed Work and Work that is in process, in a media reasonably requested by County, (c) promptly transfer and deliver all items previously paid for by County, and (d) complete performance of such part of the Work as shall not have been terminated by such notice;
- 8.1.2 Unless County has terminated the Agreement pursuant to Paragraph 6.0, Termination for Convenience, of this Exhibit, County shall have the right to procure, upon such terms and in such a manner as County may determine appropriate, goods, services, and other Work, similar and competitive to those so terminated, and Contractor shall be liable to County for, and shall promptly pay to County by cash payment, any and all excess costs reasonably incurred by County, as determined

by County, to procure and furnish such similar goods, services, and other Work;

8.1.3 Contractor shall promptly return to County any and all of County's confidential information that relates to that portion of the Agreement or Work terminated by County;

8.1.4 Contractor shall tender promptly payment to County, and shall continue to tender payment for the duration of any liquidated damages levied pursuant to Paragraph 11.0, Liquidated Damages, of the Agreement, to the extent applicable; and

8.1.5 Contractor and County shall continue the performance of the Agreement to the extent not otherwise terminated.

8.2 Transition Services

Contractor agrees that in the event of any termination of the Agreement, as a result of the breach hereof by either party, or for any other reason, including expiration, Contractor shall fully cooperate with County in the transition of such services by County to a new contractor, toward the end of the Agreement so that there will be no interruption of County's day to day operations due to the unavailability of the Work during such transition. Contractor further agrees that in the event that County terminates the Agreement for any breach by Contractor, Contractor shall perform transition services at no cost to County. In connection with the provision of any transition services pursuant to this Sub-paragraph 8.2, Transition Services, Contractor shall provide to the County Project Director, upon request by the County Project Director, documentation that reasonably details the source and amount of the expenses Contractor purports to have incurred in the provision of such transition services.

8.3 Remedies Not Exclusive

The rights and remedies of County set forth in this Paragraph 8.0, Effect of Termination, are not exclusive of any other rights and remedies available to County at law or in equity, or under the Agreement.

9.0 WARRANTY AGAINST CONTINGENT FEES

9.1 Contractor warrants that no person or selling agency has been employed or retained to solicit or secure the Agreement upon any agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by Contractor for the purpose of securing business.

- 9.2 For breach of this warranty, County shall have the right to terminate the Agreement and, in its discretion, deduct from the Agreement price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

10.0 AUTHORIZATION WARRANTY

Contractor and the person executing the Agreement on behalf of Contractor hereby represent and warrant that the person executing the Agreement for Contractor is an authorized agent who has actual authority to bind Contractor to each and every term, condition, and obligation of the Agreement and that all requirements of Contractor have been fulfilled to provide such actual authority.

11.0 FURTHER WARRANTIES

In addition to the warranties elsewhere in this Agreement, Contractor represents, warrants and further covenants and agrees to the following:

- 11.1 Contractor bears the full risk of loss due to total or partial destruction of all or any part of any goods, merchandise, vending machines, or equipment provided by Contractor under this Agreement.
- 11.2 At the time of delivery to and acceptance by County, all goods, including merchandise, vending machines and equipment, shall be new (excluding the Coca Cola cold beverage vending machines which will be refurbished beverage machines), in good working order, in conformity with manufacturer's published specifications and descriptions, and free from defects in workmanship and materials, as determined by County.
- 11.3 Contractor shall, in the performance of all Work, strictly comply with the descriptions and representations (including performance capabilities, accuracy, completeness, characteristics, specifications, configurations, standards, functions, and requirements) as set forth in this Agreement, including the Statement of Work.
- 11.4 All Work shall be performed in a timely and professional manner by qualified personnel.
- 11.5 Contractor and each of its personnel performing Work hereunder have all permits, licenses, and certifications necessary to perform Contractor's obligations under the Agreement.

12.0 INDEMNIFICATION AND INSURANCE

Contractor shall indemnify, defend and hold harmless County, its Special Districts, elected and appointed officers, employees, and agents from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses

(including attorney and expert witness fees), arising from or connected with Contractor's acts and/or omissions arising from and/or relating to this Agreement.

12.1 GENERAL PROVISIONS FOR ALL INSURANCE COVERAGE

Without limiting Contractor's indemnification of County, and in the performance of this Agreement and until all of its obligations pursuant to this Agreement have been met, Contractor shall provide and maintain at its own expense insurance coverage satisfying the requirements specified in Sections 12.1 and 12.2 of this Exhibit. These minimum insurance coverage terms, types and limits (the "Required Insurance") also are in addition to and separate from any other contractual obligation imposed upon Contractor pursuant to this Agreement. County in no way warrants that the Required Insurance is sufficient to protect Contractor for liabilities which may arise from or relate to this Agreement.

12.1.1 Evidence of Coverage and Notice to County

- Certificate(s) of insurance coverage (Certificate) satisfactory to County, and a copy of an Additional Insured endorsement confirming County and its Agents (defined below) has been given Insured status under Contractor's General Liability policy, shall be delivered to County at the address shown below and provided prior to commencing services under this Agreement.
- Renewal Certificates shall be provided to County not less than (10) days prior to Contractor's policy expiration dates. County reserves the right to obtain complete, certified copies of any required Contractor and/or subcontractor insurance policies at any time.
- Certificates shall identify all Required Insurance coverage types and limits specified herein, reference this Agreement by name or number, and be signed by an authorized representative of the insurer(s). The Insured party named on the Certificate shall match the name of Contractor identified as the contracting party in this Agreement. Certificates shall provide the full name of each insurer providing coverage, its NAIC (National Association of Insurance Commissioners) identification number, its financial rating, the amounts of any policy deductibles or self-insured retentions exceeding fifty thousand (\$50,000.00) dollars, and list any County required endorsement forms.
- Neither County's failure to obtain, nor County's receipt of, or failure to object to a non-complying insurance certificate or endorsement, or any other insurance documentation or information provided by Contractor, its insurance broker(s) and/or insurer(s), shall be construed as a waiver of any of the Required Insurance provisions.

Certificates and copies of any required endorsements shall be sent to:

Contracts Monitoring Manager
Los Angeles County Sheriff's Department
Contracts Unit
4700 Ramona Boulevard, Room 214
Monterey Park, CA 91754-2169

Contractor also shall promptly report to County any injury or property damage accident or incident, including any injury to a Contractor employee occurring on County property, and any loss, disappearance, destruction, misuse, or theft of County property, monies or securities entrusted to Contractor. Contractor also shall promptly notify County of any third party claim or suit filed against Contractor or any of its subcontractors which arises from or relates to this Agreement, and could result in the filing of a claim or lawsuit against Contractor and/or County.

12.1.2 Additional Insured Status and Scope of Coverage

The County of Los Angeles, its Special Districts, Elected Officials, Officers, Agents, Employees and Volunteers (collectively County and its Agents) shall be provided additional insured status under Contractor's General Liability policy with respect to liability arising out of Contractor's ongoing and completed operations performed on behalf of County. County and its Agents additional insured status shall apply with respect to liability and defense of suits arising out of Contractor's acts or omissions, whether such liability is attributable to Contractor or to County. The full policy limits and scope of protection also shall apply to County and its Agents as an additional insured, even if they exceed County's minimum Required Insurance specifications herein. Use of an automatic additional insured endorsement form is acceptable providing it satisfies the Required Insurance provisions herein.

12.1.3 Cancellation of Insurance

Except in the case of cancellation for non-payment of premium, Contractor's insurance policies shall provide, and Certificates shall specify, that County shall receive not less than thirty (30) days advance written notice by mail of any cancellation of the Required Insurance. Ten (10) days prior notice may be given to County in event of cancellation for non-payment of premium.

12.1.4 Failure to Maintain Insurance

Contractor's failure to maintain or to provide acceptable evidence that it maintains the Required Insurance shall constitute a material breach of the Agreement, upon which County immediately may withhold payments due to Contractor, and/or suspend or terminate this Agreement. County, at its sole discretion, may obtain damages from Contractor resulting from said breach.

12.1.5 Insurer Financial Ratings

Coverage shall be placed with insurers acceptable to County with A.M. Best ratings of not less than A:VII unless otherwise approved by County.

12.1.6 Contractor's Insurance Shall Be Primary

Contractor's insurance policies, with respect to any claims related to this Agreement, shall be primary with respect to all other sources of coverage available to Contractor. Any County maintained insurance or self-insurance coverage shall be in excess of and not contribute to any Contractor coverage.

12.1.7 Waivers of Subrogation

To the fullest extent permitted by law, Contractor hereby waives its rights and its insurer(s)' rights of recovery against County under all the Required Insurance for any loss arising from or relating to this Agreement. Contractor shall require its insurers to execute any waiver of subrogation endorsements which may be necessary to effect such waiver.

12.1.8 Subcontractor Insurance Coverage Requirements

Contractor shall include all Subcontractors as insureds under Contractor's own policies, or shall provide County with each subcontractor's separate evidence of insurance coverage. Contractor shall be responsible for verifying each subcontractor complies with the Required Insurance provisions herein, and shall require that each subcontractor name the County and Contractor as additional insureds on the subcontractor's General Liability policy. Contractor shall obtain County's prior review and approval of any subcontractor request for modification of the Required Insurance.

12.1.9 Deductibles and Self-Insured Retentions (SIRs)

Contractor's policies shall not obligate County to pay any portion of any Contractor deductible or SIR. County retains the right to require Contractor to reduce or eliminate policy deductibles and SIRs as respects County, or to provide a bond guaranteeing Contractor's payment of all deductibles and SIRs, including all related claims investigation, administration and defense expenses. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.

12.1.10 Claims Made Coverage

If any part of the Required Insurance is written on a claims made basis, any policy retroactive date shall precede the effective date of this Agreement. Contractor understands and agrees it shall maintain such coverage for a period of not less than three (3) years following Agreement expiration, termination or cancellation.

12.1.11 Application of Excess Liability Coverage

Contractors may use a combination of primary, and excess insurance policies which provide coverage as broad as ("follow form" over) the underlying primary policies, to satisfy the Required Insurance provisions.

12.1.12 Separation of Insureds

All liability policies shall provide cross-liability coverage as would be afforded by the standard ISO (Insurance Services Office, Inc.) separation of insureds provision with no insured versus insured exclusions or limitations.

12.1.13 Alternative Risk Financing Programs

County reserves the right to review, and then approve, Contractor use of self-insurance, risk retention groups, risk purchasing groups, pooling arrangements and captive insurance to satisfy the Required Insurance provisions. County and its Agents shall be designated as an Additional Covered Party under any approved program.

12.1.14 County Review and Approval of Insurance Requirements

County reserves the right to review and adjust the Required Insurance provisions, conditioned upon County's determination of changes in risk exposures.

12.2 INSURANCE COVERAGE

- 12.2.1 **Commercial General Liability** insurance (providing scope of coverage equivalent to ISO policy form CG 00 01), naming County and its Agents as an additional insured, with limits of not less than:

General Aggregate:	\$10 million
Products/Completed Operations Aggregate:	\$10 million
Personal and Advertising Injury:	\$10 million
Each Occurrence:	\$10 million

The amounts of any policy deductibles or self-insured retentions exceeding fifty thousand (\$50,000.00) dollars shall be subject to County's prior review and approval. The policy also shall include a batch clause to provide that if more than one claim arises out of the same related, repeated or continuous production, act, error or omission, then all such injury and/or damages shall be considered to have arisen out of a single occurrence.

- 12.2.2 **Automobile Liability** insurance (providing scope of coverage equivalent to ISO policy form CA 00 01) with limits of not less than \$1 million for bodily injury and property damage, in combined or equivalent split limits, for each single accident. Insurance shall cover liability arising out of Contractor's use of autos pursuant to this Agreement, including owned, leased, hired, and/or non-owned autos, as each may be applicable.
- 12.2.3 **Workers Compensation and Employers' Liability** insurance or qualified self-insurance satisfying statutory requirements, which includes Employers' Liability coverage with limits of not less than \$1 million per accident. If Contractor will provide leased employees, or, is an employee leasing or temporary staffing firm or a professional employer organization (PEO), coverage also shall include an Alternate Employer Endorsement (providing scope of coverage equivalent to ISO policy form WC 00 03 01 A) naming County as the Alternate Employer, and the endorsement form shall be modified to provide that County will receive not less than thirty (30) days advance written notice of cancellation of this coverage provision. If applicable to Contractor's operations, coverage also shall be arranged to satisfy the requirements of any federal workers or workmen's compensation law or any federal occupational disease law.

13.0 INTELLECTUAL PROPERTY INDEMNIFICATION

- 13.1 Indemnification Obligation.** Contractor shall indemnify, hold harmless and defend County of Los Angeles, its Special Districts, elected and appointed officials, officers, employees and agents from and against any and all claims, demands, damages, liabilities, losses, costs and expenses, including, but not limited to, defense costs and legal, accounting and other expert, consulting or professional fees and attorney's fees, as such are incurred, for or by reason of any actual or alleged infringement of any third party's patent or copyright, or any actual or alleged unauthorized trade secret disclosure or misappropriation, arising from or related to the vending machine solution or other tasks, deliverables, goods, services or other work licensed or acquired hereunder or the operation and utilization of Contractor's work under this Agreement (collectively in this Paragraph 13.0 "Infringement Claim(s)"). Any legal defense pursuant to Contractor's indemnification obligations under this Paragraph 13.0 shall be conducted by Contractor and performed by counsel selected by Contractor and approved in writing by County (which approval shall not be unreasonably withheld). Notwithstanding the preceding sentence, County shall have the right to participate in any such defense at its sole cost and expense, except that in the event Contractor fails to provide County with a full and adequate defense, as required by law or this Agreement, County shall be entitled to reimbursement for all such costs and expenses.
- 13.2 Procedures.** County shall notify Contractor, in writing, as soon as practicable of any claim or action alleging such infringement or unauthorized disclosure. Upon such notice, Contractor shall, at no cost to County, as remedial measures, either: (i) procure the right, by license or otherwise, for County to continue to use the vending machine solution or other tasks, deliverables, goods, services or other work licensed or acquired hereunder, or part(s) or component(s) thereof, to the same extent of County's license or ownership rights under this Agreement; or (ii) to the extent Contractor is unable to procure such right, replace or modify the vending machine solution or other tasks, deliverables, goods, services or other work licensed or acquired hereunder, or part(s) or component(s) thereof, with another software or product of services, or part(s) or component(s) thereof, of at least equivalent quality and performance capabilities, in County's determination, until it is determined by County that the vending machine solution or other tasks, deliverables, goods, services or other work licensed or acquired hereunder and all parts and components become non-infringing, non-misappropriating and non-disclosing.
- 13.3 Remedial Acts.** If Contractor fails to complete the remedial measures in Sub-paragraph 13.2 above within forty-five (45) days of the date of the written notice from County or County has not approved in writing (such approval not to be unreasonably withheld) Contractor's plan of completing such remediation, then, County shall have the right to take such remedial acts as County determines to

be reasonable to mitigate any impairment of its use of the vending machine solution or damages or other costs or expenses (in this Paragraph 13.3, "County's Remedial Acts"). Contractor shall indemnify County under Subparagraph 12.1 – Indemnification for all amounts paid and all direct and indirect costs associated with County's Remedial Acts. Failure by Contractor to pay such amounts within ten (10) days of invoice by County shall, in addition to, and cumulative to all other remedies, entitle County to immediately withhold payments due to Contractor under this Agreement up to the total of the amounts paid in connection with County's Remedial Acts.

14.0 BUDGET REDUCTIONS

In the event that the Board adopts, in any fiscal year, a County budget which provides for reductions in the salaries and benefits paid to the majority of County employees and imposes similar reductions with respect to County contracts, County reserves the right to reduce its payment obligation correspondingly for that fiscal year and any subsequent fiscal year during the term of this Agreement (including any extensions), and the services to be provided by Contractor under this Agreement shall also be reduced correspondingly. County's notice to Contractor regarding said reduction in payment obligation shall be provided within thirty (30) calendar days of the Board's approval of such actions. Except as set forth in the preceding sentences, Contractor shall continue to provide all of the services set forth in this Agreement.

15.0 FORCE MAJEURE

Except with respect to defaults of any subcontractors, Contractor shall not be liable for any such excess costs, if its failure to perform the Agreement arises out of fires, floods, epidemics, quarantine restrictions, other natural occurrences, strikes, lockouts (other than a lockout by Contractor or any of Contractor's subcontractors), freight embargoes, or other similar acts to those described above, but in every such case the failure to perform must be totally beyond the control and without any fault or negligence of Contractor. If the failure to perform is caused by the default of a subcontractor, and if such default arises out of causes beyond the control of both Contractor and subcontractor, and without any fault or negligence of either of them, Contractor shall not be liable for any such excess costs for failure to perform, unless the goods or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit Contractor to meet the required performance schedule. Contractor agrees to use commercially reasonable best efforts to obtain such goods or services from other sources, and to mitigate the damages and reduce the delay caused by any of the above mentioned *force majeure* events. As used in this Paragraph 15.0 (Force Majeure), the term "subcontractor" and "subcontractors" mean subcontractors at any tier.

16.0 CONTRACTOR RESPONSIBILITY AND DEBARMENT

- 16.1 A responsible Contractor is a Contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the Agreement. It is the County's policy to conduct business only with responsible Contractors.
- 16.2 Contractor is hereby notified that, in accordance with Chapter 2.202 of the Los Angeles County Code, if County acquires information concerning the performance of the Contractor on this or other contracts which indicates that the Contractor is not responsible, County may, in addition to other remedies provided in the Agreement, debar the Contractor from bidding or proposing on, or being awarded, and/or performing work on County contracts for a specified period of time, which will not exceed five (5) years, but may exceed five (5) years or be permanent if warranted by the circumstances, and terminate any or all existing contracts Contractor may have with County.
- 16.3 County may debar a Contractor if the Board finds, in its discretion, that Contractor has done any of the following: (a) violated a term of a contract, including this Agreement, with County or a nonprofit corporation created by County, (b) committed an act or omission which negatively reflects on Contractor's quality, fitness or capacity to perform a contract with County, any other public entity, or a nonprofit corporation created by County, or engaged in a pattern or practice which negatively reflects on same, (c) committed an act or offense which indicated a lack of business integrity or business honesty, or (d) made or submitted a false claim against County or any other public entity.
- 16.4 If there is evidence that Contractor may be subject to debarment, the Department will notify Contractor in writing of the evidence which is the basis for the proposed debarment and will advise Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.
- 16.5 The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. Contractor and/or Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a tentative proposed decision, which shall contain a recommendation regarding whether Contractor should be debarred, and, if so, the appropriate length of time of the debarment. Contractor and the Department shall be provided an opportunity to object to the tentative proposed decision prior to its presentation to the Board.
- 16.6 After consideration of any objections, or if no objections are submitted, a record of the hearing, the proposed decision and any other recommendation of the Contractor Hearing Board shall be presented to the Board. The Board shall have the right to modify, deny or adopt the proposed decision and recommendation of the Contractor Hearing Board.

16.7 If a Contractor has been debarred for a period longer than five (5) years, that Contractor may, after the debarment has been in effect for at least five (5) years, submit a written request for review of the debarment determination to reduce the period of debarment or terminate the debarment. County may, in its discretion, reduce the period of debarment or terminate the debarment if it finds that Contractor has adequately demonstrated one or more of the following: (1) elimination of the grounds for which the debarment was imposed; (2) a bona fide change in ownership or management; (3) material evidence discovered after debarment was imposed; or (4) any other reason that is in the best interests of County.

16.8 The Contractor Hearing Board will consider a request for review of a debarment determination only where (1) Contractor has been debarred for a period longer than five (5) years; (2) the debarment has been in effect for at least five (5) years; and (3) the request is in writing, states one or more of the grounds for reduction of the debarment period or termination of the debarment, and includes supporting documentation. Upon receiving an appropriate request, the Contractor Hearing Board will provide notice of the hearing on the request. At the hearing, the Contractor Hearing Board shall conduct a hearing where evidence on the proposed reduction of debarment period or termination of debarment is presented. This hearing shall be conducted and the request for review decided by the Contractor Hearing Board pursuant to the same procedures as for a debarment hearing.

The Contractor Hearing Board's proposed decision shall contain a recommendation on the request to reduce the period of debarment or terminate the debarment. The Contractor Hearing Board shall present its proposed decision and recommendation to the Board. The Board shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.

16.9 These terms shall also apply to subcontractors of County Contractors.

17.0 COMPLIANCE WITH APPLICABLE LAW

17.1 In the performance of this Agreement, Contractor's shall comply with all applicable Federal, State, and local laws, rules, regulations, ordinances, guidelines, directives, policies and procedures, and all provisions required thereby to be included in this Agreement are hereby incorporated herein by reference.

17.2 Contractor shall indemnify, defend, and hold harmless County, its officers, employees, and agents, from and against any and all claims, demands, damages, liabilities, losses, costs, and expenses, including, without limitation, defense costs and legal, accounting and other expert, consulting or professional fees, arising from, connected with, or related to any failure by Contractor, its

officers, employees, agents, or subcontractors, to comply with any such laws, rules, regulations, ordinances, directives, guidelines, policies, or procedures, as determined by County in its sole judgment. Any legal defense pursuant to Contractor's indemnification obligations under this Paragraph 17.0 shall be conducted by Contractor and performed by counsel selected by Contractor and approved by County. Notwithstanding the preceding sentence, County shall have the right to participate in any such defense at its sole cost and expense, except that in the event Contractor fails to provide County with a full and adequate defense, as determined by County in its sole judgment, County shall be entitled to retain its own counsel, including, without limitation, County Counsel, and reimbursement from Contractor for all such costs and expenses incurred by County in doing so. Contractor shall not have the right to enter into any settlement, agree to any injunction or other equitable relief, or make any admission, in each case, on behalf of County without County's prior written approval.

18.0 FAIR LABOR STANDARDS

Contractor shall comply with all applicable provisions of the Federal Fair Labor Standards Act, and shall indemnify, defend, and hold harmless County, its officers, employees and agents from any and all liability, including damages, losses, wages, overtime pay, liquidated damages, penalties, court costs, fees and other expenses (including attorneys' fees) arising under any wage and hour law, including the Federal Fair Labor Standards Act for Work performed by Contractor's employees.

19.0 NONDISCRIMINATION, AFFIRMATIVE ACTION, AND ASSURANCES

Contractor certifies and agrees that all persons employed by it, its affiliates, subsidiaries, or holding companies are and will be treated equally as required by applicable laws and regulations without regard to or because of race, color, religion, ancestry, national origin, sex, age, or physical or mental handicap, in compliance with all applicable Federal and State anti-discrimination laws and regulations.

19.1 Contractor shall certify to, and comply with, the provisions of Contractor's EEO certification, attached hereto as Exhibit D, Contractor's EEO Certification.

19.2 Contractor shall take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to race, color, religion, ancestry, national origin, sex, age, or physical or mental handicap, in compliance with all applicable Federal and State anti-discrimination laws and regulations. Such action shall include: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

- 19.3 Contractor certifies and agrees that it will deal with its bidders, or vendors as required by applicable laws and regulations without regard to or because of race, color, religion, ancestry, national origin, sex, age, or physical or mental handicap.
- 19.4 Contractor certifies and agrees that it, its affiliates, subsidiaries or holding companies, shall comply with all applicable Federal and State laws and regulations, including:
- 19.4.1 Title VII, Civil Rights Act of 1964;
 - 19.4.2 Section 504, Rehabilitation Act of 1973;
 - 19.4.3 Age Discrimination Act of 1975;
 - 19.4.4 Title IX, Education Amendments of 1973, as applicable; and
 - 19.4.5 Title 43, part 17, Code of Federal Regulations, subparts a & b;

And that no person shall, on the grounds of race, color, religion, ancestry, national origin, sex, age, or physical or mental handicap, be unlawfully excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under the Agreement, or under any project, program, or activity supported by the Agreement.

- 19.5 Contractor shall, with reasonable notice and during regular business hours, allow County representatives access to Contractor's employment records during regular business hours to verify compliance with the provisions of this

Paragraph 19.0, Nondiscrimination, Affirmative Action, and Assurances, when so requested by County; provided that County's access to such employment records of Contractor shall be limited to access that does not constitute an unlawful invasion of the privacy rights of any such employee. If County finds that any of the provisions of this Paragraph 19.0, Nondiscrimination, Affirmative Action, and Assurances, have been violated, such violation shall, at the election of County, constitute a material breach of the Agreement upon which County may immediately terminate the Agreement. While County reserves the right to determine independently that the anti-discrimination provisions of the Agreement have been violated, in addition, a determination by the California Fair Employment Practices Commission or the Federal Equal Employment Opportunity Commission that Contractor has violated State or Federal anti-discrimination laws or regulations such determination shall constitute a finding by County that Contractor has violated the anti-discrimination provisions of the Agreement. All determinations of violations made pursuant to this Sub-paragraph 19.5 shall be appealable by Contractor in accordance with applicable laws and regulations, and separately pursuant to the Dispute Resolution Procedures.

- 19.6 The parties agree that if Contractor violates the anti-discrimination provisions of the Agreement, County shall, at its option, be entitled to the sum of five hundred dollars (\$500) for each such violation pursuant to California Civil Code Section 1671 as liquidated damages in lieu of terminating the Agreement.

20.0 NONDISCRIMINATION IN SERVICES

Contractor shall not discriminate in the provision of services hereunder because of race, color, religion, national origin, ancestry, sex, age, or physical or mental handicap, in accordance with all applicable requirements of Federal and State law. For the purpose of this Paragraph 20.0, Nondiscrimination in Services, discrimination in the provision of services may include the following: (a) denying any person any service or benefit or the availability of the facility, (b) providing any service or benefit to any person which is not equivalent or is not provided in an equivalent manner or at an equivalent time to that provided to others, (c) subjecting any person to segregation or separate treatment in any manner related to the receipt of any service, (d) restricting any person in any way in the enjoyment of any advantage or privilege enjoyed by others receiving any service or benefit, and (e) treating any person differently from others in determining admission, enrollment quota, eligibility, membership, or any other requirements or conditions which persons must meet in order to be provided any service or benefit.

21.0 EMPLOYMENT ELIGIBILITY VERIFICATION

- 21.1 Contractor warrants that it fully complies with all Federal and State statutes and regulations regarding the employment of aliens and others and that all its employees performing Work under the Agreement meet the citizenship or alien status requirements set forth in Federal and State statutes and regulations. Contractor shall obtain, from all employees performing Work hereunder, all verification and other documentation of employment eligibility status required by Federal statutes and regulations as they currently exist and as they may be hereafter amended. Contractor shall retain all such documentation for the period prescribed by law.
- 21.2 Contractor shall retain all such documentation for the period prescribed by law. Contractor shall indemnify, defend, and hold harmless County, its Special Districts, elected and appointed officers, employees, and agents from and against any and all liability (alleged or actual), including damages, losses, fees, costs, and expenses (including defense costs and legal, accounting and other expert witness, consulting or professional fees) arising out of or in connection with any employer sanctions and any other liability which may be assessed against Contractor or County in connection with any alleged violation of any Federal or State statutes or regulations pertaining to the eligibility for employment of any persons performing Work hereunder.

22.0 HIRING OF EMPLOYEES

Notwithstanding the foregoing, County shall be entitled to make offers of employment to employees of Contractor necessary or desirable to perform Work described in the Agreement, in the event that: (a) County has the right to terminate the Agreement pursuant to Paragraph 4.0, Termination for Insolvency, of this Exhibit, (b) the Agreement is terminated by County due to Contractor's default pursuant to Paragraph 5.0, Termination for Default, of this Exhibit, (c) without resolution acceptable to both parties, Contractor and County have followed the Dispute Resolution Procedures, or (d) Contractor either announces the withdrawal of support of, or otherwise no longer provides services County deems essential to, the ongoing support of the Work as applicable.

23.0 CONFLICT OF INTEREST

- 23.1 No County employee whose position with County enables such employee to influence the award of the Agreement or any competing agreement, and no spouse or economic dependent of such employee, shall be employed in any capacity by Contractor or have any other direct or indirect financial interest in the Agreement. No officer or employee of Contractor, who may financially benefit from the performance of Work hereunder, shall in any way participate in County's approval, or ongoing evaluation, of such Work, or in any way attempt to unlawfully influence County's approval or ongoing evaluation of such Work.
- 23.2 Contractor shall comply with all conflict of interest laws, ordinances and regulations now in effect or hereafter to be enacted during the Term of this Agreement. Contractor warrants that it is not now aware of any facts that do or could create a conflict of interest. If Contractor hereafter becomes aware of any facts that might reasonably be expected to create a conflict of interest, it shall immediately make full written disclosure of such facts to County. Full written disclosure shall include, but is not limited to, identification of all persons implicated and a complete description of all relevant circumstances. Failure to comply with the provisions of this Paragraph 23.0 shall be a material breach of this Agreement.

24.0 RESOLICITATION OF BIDS, PROPOSALS, OR INFORMATION

- 24.1 Contractor acknowledges that, prior to the expiration or earlier termination of the Agreement, County, in its discretion, may exercise its right to invite bids, request information, or request proposals for the continued provision of the goods and services delivered or contemplated under the Agreement. County shall make the determination to re-solicit bids, request information, or request proposals in accordance with applicable County policies.
- 24.2 Contractor acknowledges that County, in its discretion, may enter into an agreement for the future provision of goods and services, based upon the bids,

information, or proposals received, with a provider or providers other than Contractor. Further, Contractor acknowledges that it obtains no greater right to be selected through any future invitation for bids, request for information, or request for proposals by virtue of its present status as Contractor.

25.0 TERMINATION FOR NON-ADHERENCE TO COUNTY LOBBYIST ORDINANCE

Contractor and each County lobbyist or County lobbying firm as defined in Los Angeles County Code Section 2.160.010 retained by Contractor, shall fully comply with the County lobbyist ordinance, Los Angeles County Code Chapter 2.160. Failure on the part of Contractor or any County lobbyist or County lobbying firm retained by Contractor to fully comply with County Lobbyist Ordinance shall constitute a material breach of the Agreement upon which County may immediately terminate or suspend the Agreement.

26.0 CONSIDERATION OF HIRING GAIN/GROW PROGRAM PARTICIPANTS

Should Contractor require additional or replacement personnel after the Commencement Date of this Agreement, Contractor shall give consideration for any such employment openings to participants in County's Department of Public Social Services' Greater Avenues for Independence (in this Paragraph, "GAIN") or General Relief Opportunity for Work (in this Paragraph, "GROW") programs who meet Contractor's minimum qualifications for the open position. For this purpose, consideration shall mean that Contractor will interview qualified candidates. County will refer GAIN participants by job category to Contractor. In the event that both laid-off County employees and GAIN/GROW participants are available for hiring, County employees shall be given first opportunity.

27.0 STAFF PERFORMANCE WHILE UNDER THE INFLUENCE

Subject to all applicable laws and regulations, Contractor shall use reasonable efforts to ensure that no employee will perform services hereunder while under the influence of any alcoholic beverage, medication, narcotic, or other substance, which might reasonably, or have been observed to, impair such person's physical or mental performance.

28.0 CONTRACTOR PERFORMANCE DURING CIVIL UNREST

Contractor recognizes that County provides services essential to the residents of the communities it serves, and that these services are of particular importance at the time of a riot, insurrection, civil unrest, natural disaster or similar event. Notwithstanding any other provision of this Exhibit or the Agreement, full performance by Contractor during any riot, insurrection, civil unrest, natural disaster or similar event is not excused if such performance remains physically possible without related danger to Contractor's employees or suppliers. During any such event in which the health or safety of any of Contractor's staff members would be endangered by performing their services on-site, such staff members may perform any or all of their services remotely. Failure to comply

with this requirement shall be considered a material breach of this Agreement by Contractor, for which County may immediately terminate this Agreement.

29.0 CONTRACTOR'S ACKNOWLEDGMENT OF COUNTY'S COMMITMENT TO CHILD SUPPORT ENFORCEMENT

Contractor acknowledges that County places a high priority on the enforcement of child support laws and the apprehension of child support evaders. Contractor understands that it is County's policy to encourage all County Contractors to voluntarily post County's "L. A.'s Most Wanted: Delinquent Parents" poster in a prominent position at Contractor's place of business. County's Child Support Services Department (CSSD) will supply Contractor with the poster to be used.

The CSSD will maintain and periodically update the "L.A.'s Most Wanted: Delinquent Parents" list on the Internet. The list may be televised before and after Board meetings.

30.0 CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM

- 30.1 Contractor acknowledges that County has established a goal of ensuring that all individuals who benefit financially from County through County contracts are in compliance with their court-ordered child, family, and spousal support obligations in order to mitigate the economic burden otherwise imposed upon County and its taxpayers.
- 30.2 As required by County's Child Support Compliance Program (Los Angeles County Code chapter 2.200) and without limiting Contractor's duty under the Agreement to comply with all applicable provisions of law, Contractor warrants that it is now in compliance and shall during the Term of this Agreement maintain compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 U.S.C. Section 653a) and California Unemployment Insurance Code Section 1088.55, and shall implement all lawfully served Wage and Earnings Withholding Orders or County's CSSD Notices of Wage and Earnings Assignment for Child, Family, or Spousal Support, pursuant to California Code of Civil Procedure Section 706.031 and California Family Code Section 5246(b).
- 30.3 Failure of Contractor to maintain compliance with the requirements set forth in this Paragraph 30.0, Contractor's Warranty of Adherence to County's Child Support Compliance Program, shall constitute a default under this Agreement. Without limiting the rights and remedies available to County under any other provision of this Agreement, failure of Contractor to cure such default within ninety (90) days of written notice shall be grounds upon which County may terminate this Agreement pursuant to Paragraph 5.0, Termination for Default, and pursue debarment of Contractor, pursuant to County Code Chapter 2.202.

31.0 RECYCLED-CONTENT PAPER

Consistent with the Board's policy to reduce the amount of solid waste deposited at County landfills, Contractor agrees to use recycled-content paper to the maximum extent possible in Contractor's provision of Work pursuant to the Agreement.

32.0 COMPLIANCE WITH JURY SERVICE PROGRAM

32.1 Jury Service Program

This Agreement is subject to the provisions of County's ordinance entitled Contractor Employee Jury Service ("Jury Service Program") as codified in Sections 2.203.010 through 2.203.090 of the Los Angeles County Code, a copy of which is attached as Exhibit H and incorporated by reference into and made a part of this Agreement.

32.2 Written Employee Jury Service Policy.

32.2.1 Unless Contractor has demonstrated to County's satisfaction either that Contractor is not a "Contractor" as defined under the Jury Service Program (Section 2.203.020 of the Los Angeles County Code) or that Contractor qualifies for an exception to the Jury Service Program (Section 2.203.070 of the Los Angeles County Code), Contractor shall have and adhere to a written policy that provides that its employees shall receive from Contractor, on an annual basis, no less than five (5) days of regular pay for actual jury service. The policy may provide that employees deposit any fees received for such jury service with Contractor or that Contractor deduct from the employees' regular pay the fees received for jury service.

32.2.2 For purposes of this Paragraph 32.0, Compliance with Jury Service Program, "Contractor" means a person, partnership, corporation or other entity which has a contract with County or a subcontract with a County contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one or more County contracts or subcontracts. "Employee" means any California resident who is a full time employee of Contractor. "Full time" means 40 hours or more worked per week, or a lesser number of hours if: (a) the lesser number is a recognized industry standard as determined by County, or (b) Contractor has a long-standing practice that defines the lesser number of hours as full-time. Full-time employees providing short-term, temporary services of 90 days or less within a 12-month period are not considered full-time for purposes of the Jury Service Program. If Contractor uses any subcontractor to perform services for County under the Agreement, the subcontractor shall also be subject to the provisions of this Paragraph 32.0, Compliance with Jury Service Program. The

provisions of this Paragraph 32.0, Compliance with Jury Service Program, shall be inserted into any such subcontract agreement and a copy of the Jury Service Program shall be attached to the agreement.

32.2.3 If Contractor is not required to comply with the Jury Service Program when the Agreement commences, Contractor shall have a continuing obligation to review the applicability of its "exception status" from the Jury Service Program, and Contractor shall immediately notify County if Contractor at any time either comes within the Jury Service Program's definition of "Contractor" or if Contractor no longer qualifies for an exception to the Jury Service Program. In either event, Contractor shall immediately implement a written policy consistent with the Jury Service Program. County may also require, at any time during the Term and at its sole discretion, that Contractor demonstrate to County's satisfaction that Contractor either continues to remain outside of the Jury Service Program's definition of "Contractor" or that Contractor continues to qualify for an exception to the Jury Service Program.

32.2.4 Contractor's violation of this Paragraph 32.0, Compliance with Jury Service Program, of this Exhibit may constitute a material breach of the Agreement. In the event of such material breach, County may, in its sole discretion, terminate the Agreement or bar Contractor from the award of future County agreements for a period of time consistent with the seriousness of the breach.

33.0 BACKGROUND AND SECURITY INVESTIGATIONS

33.1 At any time prior to or during the Term of this Agreement, County shall require that all Contractor staff, subcontractors and agents of Contractor performing Work under this Agreement undergo and pass, to the satisfaction of County, a background investigation as a condition of beginning and continuing Work under this Agreement. County shall use its discretion in determining the method of background investigation to be used, which may include but is not limited to fingerprinting. The fees associated with obtaining the background information shall be at the expense of Contractor, regardless if the Contractor's staff passes or fails the background clearance investigation, unless otherwise specified by County Project Director.

33.2 If any of Contractor's staff, subcontractors or agents do not pass the background clearance investigation, County may require that the individual immediately be removed from performing Work at any time during the Term. County will not provide to Contractor or to the individual any information obtained through County's background investigation.

33.3 County may immediately, at sole discretion of County, deny or terminate facility access to Contractor's staff, subcontractors or agents who do not pass such

investigation(s) to the satisfaction of County, whose background or conduct is incompatible with County facility access.

33.4 Disqualification, if any, of Contractor staff, subcontractors or agents pursuant to this Paragraph 33.0 shall not relieve Contractor of its obligations to complete all Work in accordance with the terms and conditions of this Agreement.

33.5 Additional background clearance requirements are stated in the Agreement, Paragraph 4, Administration of Agreement – Contractor, and Exhibit B, Statement of Work, Section 13.0, Contractor Staff.

34.0 ACCESS TO COUNTY FACILITIES

Contractor, its employees, and agents will be granted access to County facilities, subject to Contractor's prior notification to and approval by the County Project Director, for the purpose of executing Contractor's obligations hereunder. Contractor shall have no tenancy, or any other property or other rights in County facilities. While present at County facilities, Contractor's personnel shall be accompanied by County personnel at all times, unless this requirement is waived in writing prior to such event by the County Project Director and unless otherwise specified in the Agreement.

35.0 DAMAGE TO COUNTY FACILITIES, BUILDINGS, OR GROUNDS

35.1 Contractor shall repair, or cause to be repaired, at its own cost, any and all damage to County facilities, buildings or grounds caused by Contractor or employees or agents of Contractor. Such repairs shall be made promptly after Contractor has become aware of such damage, but in no event later than thirty (30) calendar days after the occurrence.

35.2 If Contractor fails to make timely repairs, County may make any necessary repairs. All costs incurred by County, as determined by County, for such repairs shall be repaid by Contractor by cash payment upon demand, or without limitation of all County's other rights and remedies provided at law or equity, or under the Agreement, County may deduct such costs from any amounts due to Contractor from County under the Agreement.

36.0 PHYSICAL ALTERATIONS

Contractor shall not in any way physically alter or improve any County facility without the prior written approval of the County Project Director.

37.0 FEDERAL EARNED INCOME TAX CREDIT

Contractor shall notify its employees and shall require its subcontractors to notify their employees that they may be eligible for the Federal Earned Income Credit under the Federal income tax laws. Such notice shall be provided in accordance with the

requirements set forth in Internal Revenue Service Notice 1015. Copies of the Notice can be obtained by calling 1-800-829-3676 or from the IRS website at www.irs.gov.

38.0 ASSIGNMENT BY CONTRACTOR

- 38.1 Contractor shall not assign its rights or delegate its duties under the Agreement, or both, whether in whole or in part, without the prior written consent of County, in its discretion, and any attempted assignment or delegation without such consent shall be null and void. For purposes of this Paragraph 38.0, County consent shall require a written amendment to the Agreement, which is formally approved and executed by the parties, and which may be executed by the Sheriff, on behalf of the County with the written concurrence of County Counsel. Any payments by County to any approved delegate or assignee on any claim under this Agreement shall be deductible, at County's discretion, against claims which Contractor may have against County.
- 38.2 Shareholders, partners, members, or other equity holders of Contractor may transfer, sell, exchange, assign, or divest themselves of any interest they may have therein. However, in the event any such sale, transfer, exchange, assignment, or divestment is effected in such a way as to give majority control of Contractor to any person, corporation, partnership, or legal entity other than the majority controlling interest therein at the time of execution of the Agreement, such disposition is an assignment requiring the prior written consent of County in accordance with Paragraph 38.1 of this Exhibit.
- 38.3 Any assumption, assignment, delegation, or takeover of any of the Contractor's duties, responsibilities, obligations, or performance of same by any entity other than the Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration for any reason whatsoever without County's express prior written approval, shall be a material breach of the Agreement which may result in the termination of the Agreement. In the event of such termination, County shall be entitled to pursue the same remedies against Contractor as it could pursue in the event of default by Contractor.

39.0 INDEPENDENT CONTRACTOR STATUS

- 39.1 The Agreement is by and between County and Contractor and is not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association, as between County and Contractor. The employees and agents of one party shall not be, or be construed to be, the employees or agents of the other party for any purpose whatsoever. Contractor shall function as, and in all respects is, an independent Contractor.

- 39.2 Contractor shall be solely liable and responsible for providing to, or on behalf of, all persons performing Work pursuant to this Agreement all compensation and benefits. County shall have no liability or responsibility for the payment of any salaries, wages, unemployment benefits, disability benefits, Federal, State, or local taxes, or other compensation, benefits, or taxes for any personnel provided by or on behalf of Contractor.
- 39.3 Contractor understands and agrees that all persons performing Work pursuant to the Agreement are, for purposes of workers' compensation liability, the sole employees of Contractor and not employees of County. County shall have no obligation to furnish, or liability for, workers' compensation benefits to any person as a result of any injuries arising from or connected with any Work performed by or on behalf of Contractor pursuant to the Agreement.
- 39.4 Contractor shall adhere to the provisions stated in Paragraph 3.0, Confidentiality.

40.0 RECORDS AND AUDITS

- 40.1 Contractor shall maintain accurate and complete financial records of its activities and operations relating to the Agreement, including any termination hereof, in accordance with generally accepted accounting principles. Contractor shall also maintain accurate and complete employment and other records relating to its performance of the Agreement. Contractor agrees that County, or its authorized representatives, shall, with reasonable notice and during regular business hours, have access to and the right to examine, audit, excerpt, copy or transcribe any pertinent transaction, activity, or records of Contractor relating to the Agreement. Should the examination and audit be performed by a non-County entity or should a non-County entity be requested by County to review information received pursuant to an audit or examination under this Paragraph 40.0, Records and Audits, Contractor may require the non-County examiner or auditor, as the case may be, to execute a nondisclosure contract prior to any disclosure. The nondisclosure contract shall limit the non-County entity's use of information received or reviewed in connection with the examination and audit to work performed specifically for the benefit of County. All such material, including all financial records, bank statements, cancelled checks or other proof of payment, timecards, sign-in/sign-out sheets, and other time and employment records, shall be kept and maintained by Contractor and shall be made available to County during the Term of this Agreement and for a period of five (5) years thereafter unless County's written permission is given to dispose of any such material prior to such time. All such material shall be maintained by Contractor at a location in Los Angeles County, provided that if any such material is located outside Los Angeles County, then at Contractor's option, Contractor shall either (a) provide County with access to such material at a mutually agreed upon location inside Los Angeles County, or (b) pay County for travel, per diem, and other costs and expenses incurred by County to examine, audit, excerpt, copy or transcribe such material at such outside location.

- 40.2 If an audit is conducted of Contractor specifically regarding the Agreement by any Federal or State auditor, or by an auditor or accountant employed by Contractor or otherwise, then Contractor shall file a copy of such audit report with County's Auditor Controller and the County Project Director within thirty (30) days of Contractor's receipt thereof, unless otherwise provided by applicable federal or state law or under the Agreement.
- 40.3 If, at any time during or after the Term, representatives of County conduct an audit of Contractor, as and to the extent permitted hereunder, regarding the Work performed under the Agreement, the results of such audit, including any final determination in respect of an underpayment or overpayment, if any, by either County or Contractor under the Agreement, shall be provided in writing to Contractor. Contractor shall have thirty (30) days to review the findings contained in such audit and notify County of any objection to the same. Such notice must include, in reasonable detail, the basis for Contractor's objection and any supporting documentation and analysis for Contractor's objection. If the parties cannot agree, within fifteen (15) days of receipt of Contractor's objection to the findings contained in County's audit, on the amount of underpayment or overpayment, by County to Contractor or Contractor to County hereunder, then either party may submit such matter to the Dispute Resolution Procedure, provided such matter shall be submitted initially, directly to the County Project Director and the Contractor Project Director. If Contractor fails to notify County of any objection it has to the findings of County's audit within the thirty (30) day period set forth above, Contractor waives any right to object to the findings of such audit, including any determination of overpayment by County. If such audit, whether initially following a waiver by Contractor of its right of objection or upon final determination pursuant to the Dispute Resolution Procedure, finds that one party is owed money by the other party, then the monies owed shall be either: a) paid to the other party by cash payment upon demand, or b) at the sole option of the County, deducted from any amounts due to the other party, whether under this Agreement or otherwise. If it is determined that one party owes money to the other party and if it is attributable to Contractor negligence, then an assessment of fifteen percent (15%) shall be imposed as stated in Paragraph 10.5 of the Agreement.
- 40.4 Failure on the part of Contractor to comply with any of the provisions of this Paragraph 40.0 shall constitute a material breach upon which County may terminate or suspend this Agreement.

41.0 LICENSES, PERMITS, REGISTRATIONS, ACCREDITATION, AND CERTIFICATES

Contractor shall obtain and maintain in effect during the Term all licenses, permits, registrations, accreditation, and certificates required by all Federal, State, and local laws, ordinances, rules, and regulations, which are applicable to Contractor's services under the Agreement. Contractor shall further ensure that all of its officers, employees, and agents who perform services hereunder, shall obtain and maintain in effect during

the Term of this Agreement all licenses, permits, registrations, accreditation, and certificates which are applicable to their performance hereunder. If and to the extent requested by County, Contractor shall provide copy of each such license, permit, registration, accreditation, and certificate, in duplicate, to Contracts Manager, Los Angeles County Sheriff's Department Contracts Unit, 4700 Ramona Boulevard, Monterey Park, CA 91754-2169.

42.0 NO THIRD PARTY BENEFICIARIES

Notwithstanding any other provision of the Agreement, Contractor and County do not in any way intend that any person or entity shall acquire any rights as a third party beneficiary of the Agreement, except that this Paragraph 42.0, No Third Party Beneficiaries, shall not be construed to diminish Contractor's indemnification obligations hereunder.

43.0 MOST FAVORED PUBLIC ENTITY

If Contractor's prices decline, or should Contractor, at any time during the Term of this Agreement, provide the same goods and substantially similar services under similar quantity, delivery, and other applicable terms and conditions to the State of California or any county, municipality, public agency, or district within California at prices below those set forth in the Agreement, then such lower prices shall be extended immediately to County.

44.0 COUNTY'S QUALITY ASSURANCE PLAN

County or its agent will evaluate Contractor's performance under the Agreement on not less than an annual basis. Such evaluation will include assessing Contractor's compliance with the terms conditions and performance standards of the Agreement. Contractor deficiencies which County determines are severe or continuing and that may place performance of the Agreement in jeopardy if not corrected will be reported to the Board. The report will include improvement and corrective action measures taken by County and Contractor. If improvement does not occur consistent with the corrective action measures, County may terminate the Agreement or impose other penalties as specified in the Agreement Performance Requirements Summary (PRS).

45.0 CONSIDERATION OF HIRING COUNTY EMPLOYEES TARGETED FOR LAYOFF/OR RE-EMPLOYMENT LIST

Should Contractor require additional or replacement personnel after the effective date of this Agreement to perform the services set forth herein, Contractor shall give first consideration for such employment openings to qualified, permanent County employees who are targeted for layoff or qualified, former County employees who are on a re-employment list during the life of this Agreement.

46.0 CONTRACTOR TO NOTIFY COUNTY WHEN IT HAS REACHED 75% OF MAXIMUM CONTRACT SUM

If applicable, Contractor shall maintain a system of record keeping that will allow Contractor to determine when it has incurred seventy-five percent (75%) of the Maximum Contract Sum. Upon occurrence of this event, Contractor shall send written notification to the County Project Director and the County Project Manager.

47.0 NO PAYMENT FOR SERVICES PROVIDED FOLLOWING EXPIRATION OR TERMINATION OF AGREEMENT

Contractor shall have no claim against County for payment of any money or reimbursement, of any kind whatsoever, for any service provided by Contractor under the Agreement, after the expiration or other termination of this Agreement. Should Contractor receive any such payment, it shall immediately notify County and shall immediately repay all such funds to County. Payment by County for services rendered after expiration or termination of this Agreement shall not constitute a waiver of County's right to recover such payment from Contractor. This provision shall survive the expiration or other termination of this Agreement.

48.0 SAFELY SURRENDERED BABY LAW

48.1 Notice to Employees

Contractor shall notify and provide to its employees and shall require all subcontractors performing work under this Agreement to notify and provide its employees a fact sheet regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and where and how to safely surrender a baby. The fact sheet is set forth in Exhibit I, Safely Surrendered Baby Law, of this Agreement and is also available on the Internet at www.babysafela.org for printing purposes.

48.2 Contractor's Acknowledgement of County's Commitment to the Safely Surrendered Baby Law

Contractor acknowledges that County places a high priority on the implementation of the Safely Surrendered Baby Law. Contractor understands that it is County's policy to encourage all County Contractors to voluntarily post County's "Safely Surrendered Baby Law" poster in a prominent position at Contractor's place of business. Contractor will also encourage its subcontractors, if any, to post this poster in a prominent position in the subcontractor's place of business. County's Department of Children and Family Services will supply Contractor with the poster to be used. Information on how to receive the poster can be found on the Internet at www.babysafela.org.

49.0 PROHIBITION AGAINST INDUCEMENT OR PERSUASION

Contractor and County agree that, during the term of this Agreement and for a period of one (1) year thereafter, neither party shall in any way intentionally induce or persuade any employee of one party to become an employee or agent of the other party. No bar exists against any hiring action initiated through a public announcement.

50.0 PUBLIC RECORDS ACT

50.1 Any documents submitted by Contractor, all information obtained in connection with County's right to audit and inspect Contractor's documents, books, and accounting records, pursuant to Paragraph 40.0, Records and Audits, of this Agreement; as well as those documents which were required to be submitted in response to the Request for Proposals (RFP) used in the solicitation process for this Agreement, become the exclusive property of County. All such documents become a matter of public record and shall be regarded as public records. Exceptions will be those elements in the California Government Code Section 6250 et seq. (Public Records Act) and which are marked "trade secret", "confidential", or "proprietary," and which meet the definition of "Trade Secret" in California Evidence Code Section 1061. County shall not in any way be liable or responsible for the disclosure of any such records, including, without limitation, those so marked, if disclosure is required by law, or by an order issued by a court of competent jurisdiction.

50.2 In the event County is required to defend an action on a Public Records Act request for any of the aforementioned documents, information, books, records, and/or contents of a bid/proposal marked "trade secret", "confidential", or "proprietary", Contractor agrees to defend and indemnify County from all costs and expenses, including reasonable attorney's fees, in action or liability arising under the Public Records Act.

51.0 INTENTIONALLY OMITTED

52.0 WAIVER

No waiver by County of any breach of any provision of the Agreement shall constitute a waiver of any other breach or of such provision. Failure of County to enforce at any time, or from time to time, any provision of the Agreement shall not be construed as a waiver thereof. The rights and remedies set forth in the Agreement shall not be exclusive and are in addition to any other rights and remedies provided at law or in equity, or under the Agreement.

53.0 GOVERNING LAW, JURISDICTION, AND VENUE

The Agreement shall be governed by, and construed in accordance with, the substantive and procedural laws of the State of California applicable to contracts made

and to be performed within that state. Contractor agrees and consents to the exclusive jurisdiction of the courts of the State of California (except with respect to claims that are subject to exclusive Federal subject matter jurisdiction, as to which Contractor agrees and consents to the exclusive jurisdiction of the United States District Court of the Central District of California) for all purposes regarding the Agreement and further agrees and consents that venue of any action brought hereunder shall be exclusively in the Central District of the Superior Court for the County of Los Angeles, California.

54.0 SEVERABILITY

If any provision of the Agreement is adjudged void or invalid for any reason whatsoever, but would be valid if part of the wording thereof were deleted or changed, then such provision shall apply with such modifications as may be necessary to make it valid and effective. In the event that one or more of the provisions of the Agreement is found to be invalid, illegal or unenforceable in any respect, such provision shall be deleted here from and the validity, legality, and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby, unless the Agreement fails of its essential purpose because of such deletion.

55.0 RIGHTS AND REMEDIES

The rights and remedies of County provided in any given Paragraph, as well as throughout the Agreement, including throughout this Exhibit, are non-exclusive and cumulative with any and all other rights and remedies under this Agreement, at law, or in equity.

56.0 NON EXCLUSIVITY

Nothing herein is intended nor shall be construed as creating any exclusive arrangement with the Contractor. This Agreement shall not restrict the Department from acquiring similar, equal or like goods and/or services from other entities or sources.

57.0 FACSIMILE

Except for the parties initial signatures to the Agreement, which must be provided in "original" form, and not by facsimile, County and Contractor hereby agree to regard facsimile representations of original signatures of authorized officials of each party, when appearing in appropriate places on change notices or in other correspondence, notices, etc. requiring signatures, and received via communications facilities, as legally sufficient evidence that such original signatures have been affixed thereto, such that the parties need not follow up facsimile transmissions of such documents with subsequent (non-facsimile) transmission of "original" versions of such documents.

58.0 LOCAL SMALL BUSINESS ENTERPRISE (SBE) PROMPT PAYMENT PROGRAM

Certified Local SBEs will receive prompt payment for services they provide to County departments. Prompt payment is defined as fifteen (15) calendar days after receipt of an undisputed invoice.

59.0 LOCAL SMALL BUSINESS ENTERPRISE (SBE) PREFERENCE PROGRAM

- 59.1 This Agreement is subject to the provisions of the County's ordinance entitled Local Small Business Enterprise Preference Program, as codified in Chapter 2.204 of the Los Angeles County Code.
- 59.2 Contractor shall not knowingly and with the intent to defraud, fraudulently obtain, retain, attempt to obtain or retain, or aid another in fraudulently obtaining or retaining or attempting to obtain or retain certification as a Local Small Business Enterprise.
- 59.3 Contractor shall not willfully and knowingly make a false statement with the intent to defraud, whether by affidavit, report, or other representation, to a County official or employee for the purpose of influencing the certification or denial of certification of any entity as a Local Small Business Enterprise.
- 59.4 If Contractor has obtained certification as a Local Small Business Enterprise by reason of having furnished incorrect supporting information or by reason of having withheld information, and which knew, or should have known, the information furnished was incorrect or the information withheld was relevant to its request for certification, and which by reason of such certification has been awarded this contract to which it would not otherwise have been entitled, shall:
1. Pay to County any difference between the Agreement amount and what County's costs would have been if the Agreement had been properly awarded;
 2. In addition to the amount described in subdivision (1), be assessed a penalty in an amount of not more than 10 percent (10%) of the amount of the Agreement; and
 3. Be subject to the provisions of Chapter 2.202 of the Los Angeles County Code (Determinations of Contractor Non-responsibility and Contractor Debarment).

The above penalties shall also apply to any business that has previously obtained proper certification, however, as a result of a change in their status would no longer be eligible for certification, and fails to notify the state and OAAC of this information prior to responding to a solicitation or accepting an agreement award.

60.0 TERMINATION FOR NON APPROPRIATION OF FUNDS

Notwithstanding any other provision of this Agreement, County shall not be obligated for Contractor's performance hereunder or by any provision of this Agreement during any of County's future fiscal years unless and until County's Board of Supervisors appropriates funds for this Agreement in County's Budget for each such future fiscal year. In the event that funds are not appropriated for this Agreement, then this Agreement shall terminate as of June 30 of the last fiscal year for which funds were appropriated. County shall notify Contractor in writing of any such non-allocation of funds at the earliest possible date.

61.0 WARRANTY OF COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM

Contractor acknowledges that County has established a goal of ensuring that all individuals and businesses that benefit financially from County through contract are current in paying their property tax obligations (secured and unsecured roll) in order to mitigate the economic burden otherwise imposed upon County and its taxpayers.

Unless Contractor qualifies for an exemption or exclusion, Contractor warrants and certifies that to the best of its knowledge it is now in compliance, and during the term of this Agreement will maintain compliance, with Los Angeles County Code Chapter 2.206.

62.0 TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM

Failure of Contractor to maintain compliance with the requirements set forth in Paragraph 61.0, Warranty of Compliance with County's Defaulted Property Tax Reduction Program, shall constitute default under this Agreement. Without limiting the rights and remedies available to County under any other provision of this Agreement, failure of Contractor to cure such default within ten (10) days of notice shall be grounds upon which County may terminate this Agreement and/or pursue debarment of Contractor, pursuant to County Code Chapter 2.206.

EXHIBIT B

STATEMENT OF WORK

VENDING MACHINE SERVICES – INMATES ONLY

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STATEMENT OF WORK

Capitalized terms used in this Statement of Work (SOW) without definition herein shall have the meanings given to such terms in the body of the Agreement.

1.0 GENERAL REQUIREMENTS

Under this Agreement, Contractor shall provide vending machine services to Inmates only who are being held in Los Angeles County Sheriff's Department (Department) Custody Facilities. The vending machines provided under this Agreement shall be Debit Card Vending Machines, with the exception of the Cash Vending Machines at the Department's Mira Loma Detention Center and the Technology Enhanced Vending Machines which shall utilize bar code technology as further described in Section 15.0, Technology Enhancements, of this SOW.

The vending machines provided under this Agreement shall be installed in three (3) phases. Phase 1 will replace existing vending machines as specified in Attachment 2, Vending Machine Type by Facility, of this SOW. Phase 2 will add twenty-five (25) vending machines of which the type and location will be determined by County in its sole discretion during the Term of the Agreement. However, County anticipates that the Phase 2 machines will likely be specialty-type vending machines, such as those dispensing hot beverages, hot and/or cold food items, and ice cream products. Phase 3 will include the addition, refurbishment, or replacement of vending machines with the Technology Enhanced Vending Machines as further described in Section 15.0 of this Statement of Work.

County at its sole discretion may add additional vending machines or delete vending machines, and add or delete Custody Facilities, at any time during the Agreement.

The types of merchandise to be sold through the vending machines are as follows:

- Snack items, which include, but are not limited to, candy, chips, cookies, trail mixes, and Top Ramen packaged soups.
- Cold plastic bottle beverages, which include, but are not limited to, sodas, water, sports drink, fruit juices, and tea.
- Ice cream products available in plastic cups, ice cream sandwiches, and other varieties; to be available in a limited number of Custody Facilities.
- Over-the-counter (OTC) medications available in individual packets.
- Hot beverages, which include, but are not limited, to coffee, hot chocolate, tea, and soups.
- Hot and cold food items, which include, but are not limited to,

- sandwiches, burritos, and pre packaged meals.
- Healthy alternative food items

Items shall be highly recognizable name brands which are available to the public. All brands must have prior approval by County Project Director or County Project Manager.

The Vending Menu and Price List, which shows brand, product, weight, and price is included as Attachment 3 of this SOW.

Menu items and prices as determined by the Department are subject to change throughout the term of this Agreement.

Any exceptions to the requirements listed in this SOW must be approved in writing by the County Project Director, unless otherwise specified.

2.0 MENU

- 2.1 County shall determine, in its sole discretion and exclusive authority, what menu items shall be available for sale in the vending machines. The list of all County approved items are set forth in Attachment 3, Vending Menu and Price List, of this SOW. County reserves the right to add and/or delete menu items in its sole discretion at any time during the Agreement.

Contractor and County shall meet within one (1) week after the effective date of the Agreement and finalize the menu items for each individual vending machine.

All menu items shall be highly recognizable name brands which are available to the public. Attachment 3, Vending Menu and Price List, of this SOW shows the brand, product, weight, and price of all County approved items. The menu items and prices are subject to change throughout the Term of this Agreement, consistent with the requirements set forth below.

If any approved menu item listed on Attachment 3, Vending Menu and Price List is out of stock for more than a two (2) week period, then Contractor shall notify County Project Manager at the end of the two-week period, at which time County Project Manager may request validation of the item's out-of-stock status from the supplier. In addition, Contractor shall provide the County Project Manager with the anticipated date that the approved item will be back in stock. All substitute menu items or brands must have prior approval by County Project Director or County Project Manager.

- 2.1.1 The Vending Menu and Price List shall be provided by County and affixed as part of the Agreement as Attachment 3 of this SOW. The Vending Menu and Price List shall be fixed for the first six (6) months, from the effective date of the Agreement.
- 2.1.2 Thereafter, Contractor may request changes in menu items and/or propose new menu items. Any and all changes in menu items and prices shall be reviewed by the County Project Manager and County Project Director. Any changes requested or proposed by Contractor and approved by County shall be reflected in a Change Order which attaches a revised Attachment 3, Vending Menu and Price List, executed by both the County Project Director and the Contractor Project Director. County Project Director shall have the final approval on any request made by Contractor.
- 2.2 Notwithstanding Section 2.1, Contractor may be required during the Term of the Agreement to provide at least twenty percent (20%) of the approved menu items as healthy alternative snacks, defined as items meeting the guidelines set forth in the Code of Federal Regulations, Title 21, Section 101.14, Subpart E. These items shall be identified by the healthy "♥" symbol on the Vending Menu and Price List. Contractor in concurrence with County shall identify all healthy alternative items listed in the Vending Menu and Price List with the "♥" symbol. County Project Director or designee may request to add specific menu items, including additional healthy alternative food items throughout the term of this Agreement. Contractor shall add specific menu items as requested by County.
- 2.3 Contractor shall remain abreast of industry trends and new products. Contractor shall apprise County of new or well-trending products available for possible inclusion in the current vending menu. All product additions (including prices) or deletions must be approved as provided in this SOW, including but not limited to Section 2.1.2 and Section 6.3.
- 2.4 Notwithstanding anything stated otherwise in the Agreement, County has the sole and exclusive authority to require removal of any merchandise from vending machines and/or the Vending Menu and Price List, which County determines to be inappropriate or a safety or health risk. Contractor shall remove requested merchandise immediately but, in no instance, shall removal extend beyond twenty-four (24) hours.

- 2.5 County facilities are non-smoking. Therefore, Contractor shall not sell cigarettes or tobacco products.
- 2.6 Any exceptions to the requirements listed in this Section 2.0 must be approved in writing by the County Project Director.

3.0 CONCESSION PREMISES

- 3.1 The vending machines to be used under this Agreement shall be located in or at secured Department Custody Facilities. The vending machines will be in located in areas in the Custody Facilities identified by County and shall be accessible by Inmates of all security levels including, but not limited to, minimum, medium and maximum security Inmates. The vending machines shall be for the exclusive use of Inmates.
- 3.2 The Concession shall operate in Department-designated locations within or at the Custody Facilities identified in Attachment 1 of this SOW (Concession Premises), within which has been hereby granted for use in the operation of vending machines. County reserves the right to move or relocate the Concession Premises, to increase or decrease the number of vending machines in Department Custody Facilities, and/or increase or decrease the number of Custody Facilities throughout the Term of this Agreement, as determined by the Department in its sole discretion.
 - 3.2.1 The Custody Facilities listed in Attachment 1, Custody Facilities, are located within the County of Los Angeles. The proximity of the facilities ranges from adjacent to each other to approximately eighty-eight (88) miles from each other.
 - 3.2.2 County may request and/or require expansion of vending machine services to other Custody Facilities where Inmates under the custody of the Department are held from time to time.
- 3.3 Contractor shall install, relocate, and/or remove vending machine(s) within the Custody Facilities as directed by the County Project Director and/or County Project Manager, consistent with the time periods specified within this SOW. Contractor assumes all costs in connection with the installation, relocation, and/or removal of vending machines from Custody Facilities.
- 3.4 The designated Concession Premises shall be used only and exclusively for the Concession purposes stated herein.

- 3.5 Contractor acknowledges Contractor's personal inspection of the Concession Premises and the surrounding area and evaluation to the extent to which the physical condition thereof will affect the Concession. Contractor accepts the Concession Premises in their present physical condition, and agrees to make no demands upon County for any improvements or alteration of the Concession Premises.
- 3.6 Contractor shall make no alterations to the Concession Premises or construct any improvements thereon other than for the installation and placement of trade fixtures and other equipment required for the Concession granted herein. Any other improvements, additions, alterations, repairs, or changes thereto shall be subject to the prior written approval of the County Project Director and shall be at Contractor's sole expense.
- 3.7 Contractor acknowledges that vending machines will be placed within a custody environment which will inherently increase the potential for theft and vandalism. Contractor agrees to assume the risk of loss or damage to all vending machines installed and merchandise stocked pursuant to this Agreement.
- 3.8 Contractor shall ensure that all necessary safety and security measures are in place to eliminate or reduce the potential for tampering, vandalism, and theft. These measures shall include, at a minimum, non-breakable display windows, security screens, and reinforced food drop trays, unless otherwise directed by County Project Director. At County's sole discretion, Contractor may be required to completely enclose machines inside a pre-approved security cage at Contractor's sole expense.
- 3.9 Pre-approved security cages will in some instances need to be capable of disassembly/re-assembly, as a result of portal size, or other space confines at some Concession Premises sites.
- 3.10 Contractor shall provide a solution to ensure that vending machines may not be moved, tilted, or manipulated once placed in a location. This may include securing the vending machine to the floor or wall.
- 3.11 Contractor shall exercise security measures consistent with the nature of the Custody Facility. At any time, Contractor's staff may be denied access to the Custody Facility, may be asked to vacate the Custody Facility, or may be made to wait within the Custody Facility based on security considerations and/or emergent circumstances, as determined by the Department in its sole discretion.

- 3.12 Contractor hereby acknowledges the title of County, and/or any other public agencies having jurisdiction over the Concession Premises, in and to the Concession Premises, and the improvements located thereon, and Contractor covenants and agrees never to assail, contest, or resist said title.
- 3.13 Upon the expiration or termination of this Agreement, Contractor shall peaceably vacate the Concession Premises and any and all improvements located thereon and deliver the same to County in the condition upon which Contractor found them.

4.0 Equipment

- 4.1 Contractor shall provide the following equipment:
- 4.1.1 Brand new, unused vending machines at all Custody Facilities (excluding the refurbished Coca Cola cold beverage vending machines)
 - 4.1.2 Three (3) change machines at the Mira Loma Detention Center
 - 4.1.3 Debit card readers, debit card enhanced readers, and debit card reader printers consistent with Section 4.12 of this SOW.

The quantity and deployment of the above equipment is specified in Attachment 2, Vending Machine Type by Facility, of this SOW. Quantity and deployment of equipment is subject to change during the Term of this Agreement at the sole discretion of the County.

- 4.2 Vending machines shall be either:

4.2.1 Debit Card Vending Machines

With the exception of those vending machines listed in Section 4.2.2 and 4.2.3 below, all vending machines provided by Contractor under this Agreement shall accept debit cards as payment for merchandise. Refer to Section 5.0, Debit Cards, of this SOW, for further debit card requirements.

4.2.2 Cash or Coin-Operated Vending Machines

Because Mira Loma Detention Center utilizes cash only, the vending machines located within the Mira Loma Detention Center shall accept only cash (currency or coin) as payment for merchandise.

4.2.3 Technology Enhanced Vending Machines

Pursuant to the Proof of Concept to be conducted by Contractor, certain vending machines shall be technology enhanced to utilize bar code technology to request Inmate information and process debits to Inmate accounts. Refer to Section 15.0, Technology Enhancements, of this SOW for detailed requirements.

- 4.3 PHASE 1 - TRANSITION: Contractor shall coordinate with the current vending contractor, in conjunction with County Project Manager or designee, to remove existing vending machines and equipment and replace them with Contractor's new vending machines and equipment. County Project Manager or designee will provide a replacement schedule by location and types of vending machines and equipment to be replaced. In order to ensure a smooth transition and continued services to the Inmates being held in Custody Facilities, the vending machine and equipment removal/installation process must be completed within thirty (30) days from the effective date of the Agreement, unless otherwise approved by County Project Manager. It is expected that a minimum of fifty-five (55) vending machines will be replaced per week. The list of vending machines and equipment to be provided by Contractor to replace existing vending machines and equipment is listed in Attachment 2, Vending Machine Type by Facility, Phase 1, Replacement of Existing Vending Machines, of this SOW.
- 4.4 PHASE 2 - ADDITIONAL TWENTY-FIVE VENDING MACHINES: Contractor shall be required during the Term of the Agreement to install an additional twenty-five (25) vending machines, which, at County's sole discretion, will likely be specialty-type vending machines, such as those dispensing hot beverages, hot and/or cold food items, and ice cream products. Installation of the additional twenty-five (25) vending machines to be listed in Attachment 2, Vending Machine Type by Facility, Phase 2, Additional Vending Machines, of this SOW shall be coordinated with the County Project Director and/or County Project Manager and Contractor.
- 4.5 County may add additional vending machines of the type specified for each approved location within forty-eight (48) hours following a written request from the County Project Manager. County Project Manager or designee may extend the forty-eight (48) hour response time with written prior approval.
- 4.6 All vending machines installed by Contractor must meet California Energy Standards as part of County's energy conservation program.

- 4.7 No vending machine shall be equipped with glass panels. Contractor may use plastic or Plexiglas. County Project Director shall have final approval, at his sole discretion, as to how vending machines are equipped.
- 4.8 Contractor may be required to remove all light bulbs and/or florescent tubes used to back light front panels of the vending machines, depending on the location of the vending machine, as determined by the County Project Director in his sole discretion.
- 4.9 County Project Director or County Project Manager shall have final approval of all vending machines installed in the Custody Facilities. Department may require additional alterations to the vending machines, at Contractor's sole expense, if it is deemed necessary for security reasons at County's sole discretion.
- 4.10 Contractor shall provide all necessary repair and maintenance and/or replacement of all equipment provided and used by Contractor to ensure no disruption in vending operations during the Term of this Agreement.
- 4.11 Contractor's vending machines shall carry the Underwriting Laboratories (UL) Seal of Approval and shall be installed in accordance with the standard of the National Electrical Code. All equipment installed pursuant to this Agreement shall remain the property of Contractor.

4.12 INSTALLATIONS

4.12.1 All installations shall be made as stated in this SOW or in a manner approved by the County Project Manager or County Project Director. Any legal devices or installations of equipment designed for the purpose of protecting the vending machines from tampering, theft, burglary, or vandalism shall be provided by Contractor at Contractor's own expense and subject to approval by the County Project Director.

4.12.2 All installations shall be accomplished without alteration of the approved Concession Premises within forty-eight (48) hours as specified in Section 4.5 above, unless written consent is first obtained from the County Project Director, or designee.

4.12.3 County reserves the right to change or cancel a previously approved Concession Premise or Custody Facility, and

Contractor shall either relocate or remove the equipment as required within twenty-four (24) hours of notice from the County Project Director or designee, unless County Project Director or designee gives prior written approval to extend the response time. In situations where security is compromised by a vending machine, Contractor's arrival at the Custody Facility shall be four (4) hours or less from time of notification by the Department for purposes of repair, removal, or relocation of such vending machine. Contractor shall assume all costs of installations, relocations, and removals.

4.12.4 Except as provided in Section 4.12.3 above, Contractor shall only remove vending machines installed pursuant to this Agreement with prior written consent of the County Project Director, County Project Manager, or their designee.

4.12.5 Contractor shall be liable to County for any and all damage to County facilities, buildings, or grounds arising out of the installation, relocation, and/or removal of vending machines. Refer to Exhibit A, Additional Terms and Conditions, Paragraph 35.0, Damage to County Facilities, Buildings or Grounds.

4.13 Debit Card Readers and Debit Card Reader Printers

4.13.1 Contractor shall provide four (4) debit card "readers," as further described in Section 4.13.2 below, four (4) debit card "enhanced readers," as further described in Section 4.13.3 below, and four (4) debit card reader "printers."

4.13.2 Debit card "readers" shall display value on a screen easily read and clearly intelligible. Debit card readers shall be portable devices, durable in construction, and of sufficient quality to withstand the rigors of repeated use in a twenty-four hour a day, seven day a week (24/7) operation which releases approximately six hundred (600) Inmates a day. Debit card readers shall be capable of the connectivity required for printing receipts (listing remaining card value) to compatible debit card reader "printers." Debit card readers shall also be capable of data export into a windows-based computer system. Debit card readers may possess additional functionality, subject to the Department's needs and upon approval of the County Project Director.

- 4.13.3 Debit card "enhanced readers" shall have functionality capable of reading past some error code and damaged card strip occurrences and through the use of data redundancy, able to decipher remaining card value. These specialized readers may, but do not have to, hold print functionality. The "reader" and "enhanced reader" can be one (1) reader that meets all of the requirements of 4.13.2 and 4.13.3.
- 4.13.4 Modification in any debit card reader and related equipment requirements may be requested of Contractor by the County Project Director, should the Department's needs in implementation prove dissimilar than as specified above (in order to facilitate Inmate refunds, validate debit card balances, reconcile with the Jail Information Management System, or the like).
- 4.13.5 Any required software (encoding, settlement, etc.), hardware, printers, cables, handheld devices, data collectors, serial, universal serial bus (USB), or other devices or equipment required to enable vending debit cards to be read, written to, printed from, and data exported for purposes of physical receipts, or computer importation into compatible software shall be the sole responsibility of Contractor, as well as maintaining debit card reader and printer related equipment in proper working order at all times.

5.0 DEBIT CARDS

- 5.1 The requirements for the vending debit cards to be used under this Agreement are as follows:
 - 5.1.1 Debit cards shall be a minimum of thirty (30) mil thick, made of durable plastic, and fashioned with a generally credit card like appearance in size and shape.
 - 5.1.2 Debit cards shall contain a magnetic strip on the backing, capable of being encoded with a value which can be read, "drawn down" from, and then re-written by vending machines within the Custody Facilities. The debit card's magnetic strip shall not be raised or embossed from the surface, but flush and embedded in such a way that the strip appears composite of the card itself.
 - 5.1.3 Debit cards shall be of sufficient quality and durability that they reasonably guard against card read errors, tampering, and breakage, and can withstand a distribution system

wherein cards are placed in plastic bags amongst other goods and then transported in traveling vehicles and locked containers for long distances. Debit cards must be of sufficient quality that they are able to sustain such rigors and still function properly with encoded value ninety-nine percent (99%) of the time.

- 5.1.4 Debit Cards shall have "Inmate Vending Card" permanently affixed on them with a directional arrow for insertion into the machine. The Department's Commissary Services Contractor will emboss the card(s) with the name(s) and booking number(s) of the Inmate(s) who purchased the card(s). The County may elect to require additional instructional and/or informational language placed on debit cards during the term of the Agreement.
- 5.2 Contractor shall provide, free of charge and at no additional cost to County, debit cards with the specifications listed above and ready for use in vending machines with a pre-set value of \$10.00 and/or \$20.00 denominations, as requested by the County Project Manager and/or County Project Director and not subject to State and local sales tax. Pre-set values may be altered if requested by County Project Director.
- 5.3 Contractor will be required to enter into an agreement separate and apart from this Agreement with the Department's Commissary Services Contractor. Contractor shall provide pre-set value debit cards free of charge and at no cost to the Department's Commissary Services Contractor in \$10.00 and/or \$20.00 denominations, or other amounts as pre-determined by the County Project Manager and/or County Project Director. Contractor shall have a sufficient supply of debit cards in inventory and ensure that the Department's Commissary Services Contractor has a sufficient supply of pre-set value vending machine debit cards at all times. Department's Commissary Services Contractor will sell, emboss Inmate name and booking number related information, and distribute the vending machine debit cards. Department's Commissary Services Contractor will include a handling fee, added to the price of the debit card sales transaction, in an amount not to exceed \$0.75 per card. This agreement between the Department's Commissary Services Contractor and Contractor will be independent of any agreement with the County, and it must be executed prior to when Contractor begins to provide services under this Agreement. The County Project Director or County Project Manager must be provided the content of the proposed agreement and any future modifications; and concur with that determined by

the parties, prior to execution of such agreement or modification. County shall be listed in the agreement between Contractor and Department's Commissary Services Contractor as a third party beneficiary.

5.3.1 Contractor shall provide the County Project Director or County Project Manager and the Department's Contracts Unit a copy of the signed agreement between Contractor and Department's Commissary Services Contractor and copies of any future modification upon execution of such documents.

5.4 Contractor shall provide test debit cards to the County Project Director upon request.

6.0 PRICES

6.1 Contractor shall at all times maintain a complete up-to-date list of all menu items and prices charged for all merchandise or services, or combinations thereof, supplied to the Inmates from the vending machines, and provide a copy to the County Project Director or County Project Manager on a quarterly basis, with the first report due one (1) week from the effective date of the Agreement and quarterly thereafter, as well as anytime, upon request. Said prices shall be based upon the following:

6.1.1 For the first six (6) months of the Agreement, prices shall remain fixed as specified in Attachment 3, Vending Menu and Price List, of this SOW.

6.2 Contractor may request item-specific price adjustment(s) after the initial six (6) month period and every twelve (12) months thereafter, subject to the following conditions:

- Contractor incurs verifiable price increases in merchandise passed on from manufacturer/supplier; and
- Price increases shall be limited to a maximum of three percent (3%) of the sale price listed in Attachment 3, Vending Menu and Price List, of this SOW.

6.2.1 County, in its sole discretion, may grant exception to the three percent (3%) cap stated in this section, in instances when the County Project Director deems such departure sufficiently compelling and in the Department and Inmate population's best interest, based upon the totality of the

circumstances.

6.3 NEW MENU ITEM PRICING

New menu items, approved by County pursuant to Section 2.1.2, shall be identified by category with that which most closely resembles the type, from existing menu categories (i.e., large chips, 4 oz cookies, 20 oz soda) and a comparative of the current relational difference between convenience store pricing and current menu selling price shall be conducted. This study shall provide the average price of the given menu item type among two (2) different convenience store retailers within a ten (10) mile radius of the Twin Towers Correctional Facility, located at 450 Bauchet Street, Los Angeles, California 90012. The difference between retail pricing, and that of the existing menu item category which most closely resembles the new item, shall be applied to the price of the new item. Should confusion arise as to the category a new item falls within, the County Project Director shall serve as final authority in such determination. Contractor shall add new menu items as requested by County in keeping with such price structure, unless otherwise mutually agreed upon by the County Project Director and Contractor Project Director. Current convenience store pricing shall be provided to County by Contractor via purchase receipt(s) and shall include the date, location, and date the item(s) were compared/purchased. Convenience store as used herein is defined as one of the major convenience store retail chains presently on the west coast of California, such as AM/PM, Circle K, and 7-11.

7.0 MERCHANDISE

- 7.1 Contractor shall provide and properly maintain the necessary inventory of merchandise specified by the Department for sale to meet the requirements of this Agreement.
- 7.2 All snacks, beverages, over the counter medications, food items, and ice cream sold or kept for sale by Contractor shall be first-class in quality, wholesome and pure, approved brand name as further described in Section 2.0, Menu and Attachment 3, Vending Menu and Price List, of this SOW; and shall conform to federal, state and County food (health) laws, ordinances, and regulations in all respects. No adulterated, misbranded, outdated, or impure merchandise shall be sold or kept for sale by Contractor, and all merchandise kept on hand by Contractor shall be stored and handled with due regard for sanitation.

- 7.3 All products for consumption placed in any vending machine must have the manufacturer expiration, sell by dates, and/or use by dates clearly labeled on the packaging. Contractor shall proactively remove any item found to be past the expiration date, sell by date, or use by date and replace it immediately or within twenty-four (24) hours after requested by County Project Manager or designee.
- 7.3.1 Contractor shall ensure that expiration dates, sell by dates, and/or use by dates are not tampered with in any way. If any tampering by Contractor of expiration dates, sell by dates, or use by dates is discovered, it shall be deemed a material breach of the Agreement upon which County may immediately terminate the Agreement.
- 7.4 The County Project Manager may request, in writing, Contractor to change the type of merchandise sold from a particular machine or machines. Upon receipt of notice requesting such change, Contractor shall make the change requested within twenty-four (24) hours of receipt thereof, unless items require immediate removal as specified in Section 2.0, Menu, of this SOW.
- If Contractor requests to remove, substitute, replace, or add items in vending machines, Contractor shall provide data to the Department to substantiate such request(s) and such request shall be subject to approval of the County Project Manager and/or County Project Director prior to removal, substitution, replacement, or addition of said item(s).
- 7.5 Contractor shall provide a variety of snack, food items, ice cream, OTC medications and beverage products as specified in Section 1.0, General Requirements, Section 2.0, Menu, and further listed with approved prices in Attachment 3, Vending Menu and Price List, of this SOW to be dispensed from vending machines.
- 7.6 Contractor shall provide standard twenty (20) ounce plastic bottles for soda and water vending machines, unless otherwise approved by County Project Manager.
- 7.7 All items dispensed from vending machines must obtain prior written approval from County Project Director or County Project Manager. At no time shall any item containing glass, metal, or any other material which could jeopardize security or be modified into a weapon be dispensed from vending machines.

8.0 COMPLAINT PROCESS

- 8.1 Contractor shall provide a method, approved by the County Project Director, for addressing and resolving Inmate and Department complaints and concerns relating to vending. This shall include identifying Contractor staff responsible for addressing and resolving all complaints related to this Agreement.
- 8.2 Contractor shall respond to all Inmate and Department complaints relating to vending machine services within forty-eight (48) hours of receipt of such complaints, excluding weekends and holidays. However, in no instance shall the resolution of complaints relating to vending machine services be delayed more than seven (7) calendar days from the date of receipt. County Project Director and/or County Project Manager may request the immediate investigation and resolution of any complaint.
- 8.3 Contractor shall provide a weekly report listing all complaints, including the date the complaint was received, how the complaint was received (fax, e-mail, phone call), the complaining persons' name(s) and booking number(s) where applicable, vending machine number(s) involved, location(s), and complaint resolution. The report may include any additional information determined beneficial by the County Project Director and/or the Contractor Project Director in concert with the County Project Director. This report shall be first due on the Wednesday of the second week following the Agreement's effective date for complaints reported the first week of the Agreement; and weekly thereafter as stated in Section 12.2 of this SOW.
 - 8.3.1 The report must allow the reader to quickly differentiate between those complaints with disposition versus those which are outstanding or unresolved. In instances where resolution of the complaint requires additional time to resolve, this report shall specify the status and anticipated resolution date. Notwithstanding the above, the County Project Manager shall be provided a copy of any received complaint and resolution upon request.
- 8.4 Contractor shall provide a 24-hour fax number and an e-mail address for Custody Facilities to forward any Inmate complaints to Contractor.
- 8.5 Contractor shall additionally provide a toll-free number for receipt of telephonic complaints from Inmates in custody. This number shall be configured with the County's telephone provider as a "speed

dial" (outgoing call) for those in custody with complaints relating to vending. Contractor, at Contractor's discretion, shall provide either a customer care representative to answer calls on this complaint line during business hours, or an answering machine to record incoming calls, twenty-four (24) hours per day, seven (7) days per week. Should an answering machine be used, the complaint line shall be checked daily (excluding weekends and holidays) and an investigation and agreed upon manner of response initiated within two (2) business days, barring unusual circumstances or exigency. Contractor shall keep date and time stamped recorded complaints for a minimum of one (1) year, unless otherwise specified by the County Project Director.

- 8.6 Contractor shall maintain copies of the complaint forms on file in compliance with Agreement, Exhibit A (Additional Terms and Conditions), Paragraph 40.0 (Records and Audits).

9.0 SERVICE SCHEDULES: RE-STOCKING AND MAINTENANCE

- 9.1 Contractor shall re-stock all vending machines a minimum of once a week. The County Project Director or County Project Manager may require re-stocking on a more frequent basis (including weekends) if deemed necessary by County in its discretion. Such change(s) shall be made in writing, and if such change is permanent, shall be executed through a Change Order. Contractor shall immediately implement any such modifications to the re-stocking schedule once notice has been afforded.
- 9.2 Contractor shall provide maintenance (refer to Section 10.0, Maintenance Requirements below) on all vending machines once a month and shall keep records as to which vending machines were serviced, when, and in what manner. These records shall be presented to the County Project Director or County Project Manager upon request. The County Project Director or County Project Manager may request maintenance on machines on a more frequent basis if the necessity exists, as determined by the County. This change will be made in writing, and if the change is permanent, shall be executed through a Change Order.
- 9.3 The re-stocking of vending machines shall occur Monday through Friday, between the hours of 7:00 a.m. (Pacific Time) and 5:00 p.m. (Pacific Time), unless otherwise agreed upon by both County and Contractor.
 - 9.3.1 Holiday Schedule: Contractor may adjust vending services to accommodate the following seven (7) national holidays, if

necessary:

- New years Day –January 1st
- Memorial Day – Last Monday in May
- Independence Day – July 4th
- Labor Day – 1st Monday in September
- Thanksgiving – 4th Thursday in November
- Friday following Thanksgiving – 4th Friday in November
- Christmas – December 25th

- 9.4 Contractor shall have a Re-Stocking and Machine Maintenance Schedule approved by the County Project Manager within one (1) week after the effective date of the Agreement. The schedule shall be affixed as Attachment 4 to this SOW.
- 9.5 Modifications to the Re-Stocking and Machine Maintenance Schedule, Attachment 4 to this SOW, shall not be made without the written authorization of the County Project Manager and the Contractor Project Manager and executed through a Change Order. In case of a lock down, emergency, or other unusual and unforeseen circumstances necessitating it, County reserves the right to make temporary modifications to the schedule, without the required Change Order.
- 9.6 Where feasible, the Department shall make timely notifications to Contractor of any administrative actions, lockdowns, or unexpected emergencies which may affect Contractor's ability to meet the Re-Stocking and Machine Maintenance Schedule to the designated Custody Facilities. Conversely, the Contractor Project Manager or designee shall promptly notify the County Project Manager in instances such as those cited above, wherein Contractor is precluded from entering or remaining in the Custody Facility to perform contractual duties.
- 9.7 Contractor shall have a Delivery Plan outlining provisions ensuring a safe and secure delivery of all Concession merchandise to designated Custody Facilities; specifically guarding against security breaches, introduction of contraband, conformity with the State of California CAL OSHA's regulations, and in keeping with that specified in Attachment 5, Security of Personal Property, and Attachment 7, Contraband Defined, of this SOW. Contractor shall provide a copy of the Delivery Plan, which shall be incorporated herein by this reference, to the County Project Director within one (1) week of the effective date of the Agreement. At any time during the term of the Agreement, the County Project Director may require modification to Contractor's Delivery Plan.

10.0 MAINTENANCE REQUIREMENTS

- 10.1 Contractor shall keep each approved Concession Premises free of litter which directly results from the operation of a vending machine thereon. This includes, but is not limited to, under the vending machines, the top of vending machines, inside the vending machines, and in between the cage and the vending machine. It shall be the responsibility of Contractor to meet all County Health Standards with regards to sanitation.
- 10.2 All Concession Premises and vending machines shall be maintained and cleaned once a month by Contractor as scheduled in Attachment 4, Re-Stocking and Machine Maintenance Schedule, and as requested by the County Project Manager.
- 10.3 Contractor shall maintain, by repair or replacement, all vending machines in good mechanical and physical condition in order to ensure the continuous operation of the vending machines.
- 10.4 Repairs or replacements shall be furnished within twenty-four (24) hours, or sooner, upon written notification by County Project Manager. In circumstances outside Contractor's control such as natural disasters, riots, and significant road closures, repairs and replacements shall be furnished within forty-eight (48) hours, or sooner, upon written notification by County Project Manager. In the case of weekends or holidays, repairs or replacements shall be furnished on the following business day, or sooner, upon written notification by County Project Manager.

11.0 SAFETY AND SECURITY REQUIREMENTS

- 11.1 County shall maintain the final authority on all security issues.
- 11.2 All Work shall be conducted in a safe manner and will comply with requirements of state and local rules and regulations and CAL-OSHA safety standards.
- 11.3 If at any time Contractor fails or refuses to comply with County safety requirements, the Department may issue an order stopping all or part of the Work until satisfactory corrective action has been taken. No part of the time lost due to any such stop order may be subject to claim for excess cost, damages, or extension of time under this Agreement.
- 11.4 Contractor shall report all incidents of occupational injury or accidents affecting Contractor employees and occurring on County

property on a County "Non-Employee Injury Report", attached as Exhibit K to the Agreement, within twenty-four (24) hours of occurrence or discovery, to the County Project Director and/or County Project Manager. Contractor shall maintain an on-going listing of all employees injured while on County premises. This document listing all employees injured while on County premises shall be entitled Contractor's Employee Injury Record and shall be provided to the County Project Manager annually and upon request.

- 11.5 Contractor shall report to County Project Manager or County Project Director any incident involving Contractor's staff which could negatively impact their ability to interact with Department personnel, affect their security clearance status, or jeopardize the safety and/or security of the Department and its members within twenty-four (24) hours of such incident. If circumstances objectively necessitate immediate action, Contractor shall immediately inform the Watch Commander of the concerned Custody Facility and the County Project Manager or County Project Director concurrently.
- 11.6 If a Contractor employee is refused entry or removed from a Custody Facility, Contractor shall make immediate telephonic notification to the County Project Manager and/or County Project Director, describing the circumstances, as known, leading to the denial or exclusion. Contractor shall make person to person contact and have at its disposal the County Project Director and County Project Managers' work and cell phone numbers for these and similar reporting requirements.
- 11.7 Contractor shall exercise security measures consistent with the nature of the Custody Facility.
- 11.8 Contractor shall train or facilitate employee training in ethical conduct, with focus on the importance of both lawful and appropriate conduct within a Custody Facility setting.
 - 11.8.1 All Contractor employees shall receive no less than two (2) hours of ethical conduct training prior to performing Work in a Custody Facility. The ethical conduct training shall be intended to raise individual awareness of the common temptations associated with working an assignment of special trust, such as that of vendors inside a custody environment, and the consequences of inappropriate or criminal behavior in this setting. Contractor shall submit a course outline to the County Project Director for review and

approval, at County Project Director's discretion, prior to the training date. This topic shall be re-enforced in the Department's mandatory four (4) hour Jail Orientation (Refer to Section 11.8.3 below).

11.8.2 Contractor may seek to partner with an outside organization to meet the two-hour ethical conduct training requirement; however, the training provider must be pre-approved, in writing, by the County Project Director.

11.8.3 All Contractor employees shall attend the mandatory (4) four hour Jail Orientation prior to performing Work in a Custody Facility. The mandatory four (4) hour Jail Orientation will be provided by the Department to all Contractor employees. However, Contractor shall bear all costs associated with Contractor employees' attendance at the Jail Orientation. In addition, Contractor shall bear all costs associated with the aforementioned two-hour ethical conduct training.

11.8.4 Contractor shall maintain class rosters and individual training completion certificates of which copies shall be provided to the County Project Manager for those employees who have attended the ethical conduct training.

11.9. Contractor shall keep record of all instances of employee exclusion (on an "Employee Exclusion Report") from the Custody Facilities which encompass actions such as inappropriate conduct, violation of the Department's Policy of Equality, criminal behavior, security breaches/neglect, and the like. Refer to Attachment 8, Policy of Equality, of this SOW.

11.9.1 Contractor shall actively monitor instances of exclusion, guarding against repeat occurrences and trends. Two (2) separate instances of exclusion for any of the above specified causes over the course of an Agreement year shall be cause for Contractor to develop/implement an Action Plan which could include, but is not limited to, additional training, individual employee performance review, analysis and/or modification of Contractor hiring practices, retention, and/or salary, supervision and/or management staffing models, internal security procedures, etc., to mitigate additional instances of inappropriate or criminal conduct occurring in Custody Facilities by Contractor employees.

11.9.2 Contractor shall develop/implement an Action Plan, and provide a copy to the County Project Manager of such Action

Plan, within thirty (30) calendar days from the date of the second instance of exclusion.

- 11.9.3 Contractor shall provide an up-to-date "Employee Exclusion Report" immediately following each occurrence and anytime upon request by County. Regardless of cause and from the effective date of the Agreement to current, the report shall contain all names of excluded Contractor employees, date of exclusion, and reason for exclusion.
- 11.10 Prior to entrance into a Custody Facility, Contractor's employees shall comply with current Custody Division and Custody Facility entry requirements, which may include the exchange of a government-issued identification card for a Custody Facility pass. Passes shall be displayed at all times. Any lost or stolen passes must be immediately reported by Contractor's employees to the on-duty Watch Commander and Contractor supervisor. Contractor Project Manager shall provide written notification to the County Project Manager of any lost or stolen passes. Contractor's employees shall be responsible for returning their Custody Facility pass prior to leaving the Custody Facility. Contractor's employees must additionally comply with the provisions stated in Section 13.3 of this SOW.
- 11.11 Contractor's employees shall be responsible for submitting an itemized tool roster to the Custody Facility's entry control station upon entry to the Custody Facility for all Essential Tools. Contractor's employees shall secure all Essential Tools and personal items. All Essential Tools shall be labeled and numbered and be kept in a lockable container, subject to approval of and possible inspection by Department personnel, when brought into the Custody Facility. Under no circumstances shall any Essential Tools be left unattended once brought inside the Custody Facility. Unattended tools shall be confiscated by Department personnel. Any missing tools, keys, equipment, or any other items are to be reported immediately to the on-duty Watch Commander. Contractor Project Manager shall provide a written notification to the County Project Manager of any of the aforementioned missing tools, keys, equipment, or any other items which are lost or stolen in the Custody Facility. Personal items shall be in compliance with #3-01/090.00 of the Department's Custody Division Manual, attached hereto as Attachment 5, Security of Personal Property.

Notwithstanding Department policies, procedures, Unit Orders, and the like, the Watch Commander of the concerned Custody Facility has the authority to determine what personal property is allowed

within that Custody Facility.

- 11.12 Contractor's staff, vehicles, workplace, and equipment shall be subject to search and inspection by Department personnel without notice and at any time while on County property.
- 11.13 During lock down situations, the County Project Manager or Watch Commander may elect to modify or postpone Vending Machine Services. Prior notifications of lockdown(s) will be given to Contractor whenever feasible. During lockdown situations, Contractor will not be held liable for failing to meet scheduled services.

12.0 REPORTING REQUIREMENTS

- 12.1 Contractor shall provide monthly income statements of gross revenues for all of Contractor's vending machines in all Custody Facilities as specified in this Agreement. Statements shall be attached to the monthly County's Percentage of Revenue invoice and submitted to the County Project Manager.
- 12.2 Contractor shall prepare and submit to the County Project Manager management reports on a quarterly, monthly, or weekly basis. These reports shall include, but are not limited to the following:

Due with Each Occurrence and Annually or as requested

- (1) Employee Exclusion Report
- (2) Employee Injury Record

Due Quarterly

- (1) Profit and Loss Report
- (2) Complete Vending Menu and Price List
Report shall be due quarterly and when changes are approved.

Due Monthly (by the 10th of the month following reporting period)

- (1) Financial Statements
- (2) Monthly Sales Summary Report
Report shall include at a minimum the total monthly vending

machine sales broken down by vending machine and Custody Facility (location of vending machine).

- (3) County's Monthly Invoice and Monthly Report
- (4) Balance Sheet
- (5) Top ten selling snack items and top five selling beverages
- (6) Vending Machine Maintenance Report
Report shall include at a minimum Contactor employee name, date, time, Custody Facility (location of vending machine), vending machine number, and areas of vending machine that were cleaned, repaired, and/or replaced.

Due Weekly (Wednesday of the week following the reporting period)

- (1) Inmate and Department Complaint Report
- (2) Vending Machine Re-Stocking Report
Report shall include at a minimum Contactor employee name, date, time, Custody Facility (location of vending machine), and vending machine number that was re-stocked.
- (3) Weekly Sales Summary Report
Report shall include at a minimum the total weekly vending machine sales broken down by vending machine and Custody Facility (location of vending machine).

12.2.1 With the exception of the Vending Menu and Price List, the reports shall include, but not be limited to, information by Custody Facility, by vending machine, if applicable, and by summary totals.

12.2.2 Frequency of reports is subject to change based upon the needs of the Department. County Project Manager or County Project Director will notify Contractor in writing when such change is required.

12.2.3 Contractor shall submit the reports in Contactor's format which will be subject to modifications, as directed by County Project Director.

12.2.4 Department may from time to time request additional reports which may include, but are not limited to, comparison reports.

12.3 Contractor shall conduct a yearly Inmate satisfaction survey encompassing areas of concern which may include pricing, menu item selection, machine maintenance, and other areas identified by the County Project Director. Results of the survey shall be provided in whole to the County Project Director with a cover letter outlining the results of the survey along with recommendations resulting from the survey. Contractor shall keep all surveys and provide copies to County upon request.

13.0 CONTRACTOR STAFF

- 13.1 All Contractor staff performing work under this Agreement are required to read and complete a Contractor's Employee Acknowledgement and Confidentiality Agreement (refer to Agreement, Exhibit A, Additional Terms and Conditions, Paragraph 3.0, Confidentiality).
- 13.2 Contractor shall be responsible for removing any Contractor staff performing services under this Agreement, when requested to do so by County Project Manager.
- 13.3 Contractor staff are required to wear company picture identification badges which shall include name of Contractor, employee name, and employee number, at all times upon entering into and providing services in any Custody Facilities. Badges and/or identification cards shall be clearly visible at all times and unobstructed by other garments.
- 13.4 Contractor shall provide to County Project Director a list of all Contractor staff and/or Contractor representatives that, for any reason, will be representing and entering Custody Facilities on behalf of Contractor. The list shall include, but not be limited to the following information on each individual: name, date of birth, Social Security Number, California Driver's License Number, home telephone number, and/or cellular telephone number(s) where applicable. The list shall be updated and provided to the County Project Director from time to time as Contractor staff and/or Contractor representatives are added. This information shall be kept confidential and used exclusively for official Department business.

- 13.5 Contractor shall provide to the County Project Director a list of all substitute Contractor staff and/or substitute Contractor representatives that for any reason will be representing and entering Custody Facilities on behalf of Contractor. The list shall include, but not be limited to the following information on each individual: name, date of birth, Social Security Number, California Driver's License Number, home telephone number, and/or cellular telephone number(s) where applicable, the person they are substituting for, and reason for substitution. The list shall be updated and provided to the County Project Director from time to time as substitute Contractor staff and/or substitute Contractor representatives are added. This information shall be kept confidential and used exclusively for official Department business.
- 13.6 Contractor staff must successfully pass, at the Department's sole discretion, a security background check performed by the Department prior to being allowed access to any Custody Facility (refer to Attachment 6, LASD Entry Application for Custody Facilities Service Providers/Contractor, of this SOW). At County's discretion, Contractor staff may be required to undergo a fingerprint check or additional background checks. The cost of the fingerprint check and additional background checks shall be the responsibility of Contractor.
- 13.7 County shall be responsible for maintaining a file for each Contractor employee performing duties under this Agreement. The file will include copies of all required credentials, training records, and a biography of each employee. At a minimum, the following documentation must be included in this file:
- A. Background investigation: Inmate Services Unit background check and results packet (includes name, address, other identification information, telephone numbers, and background check information)
 - B. Jail Orientation training records and all other training records
 - C. Copy of California driver's license
- 13.8 Contractor staff shall be required to attend and successfully complete a four (4) hour Jail Orientation course prior to entering any Custody Facility (refer to Section 11.8.3 above).
- 13.9 Contractor staff shall be required to attend and complete a two (2) hour ethical conduct training session hosted by Contractor or their designee, who must be approved by the County Project Director (refer to Section 11.8.1 above).

- 13.10 Contractor and Contractor staff shall comply with the Department's Policy of Equality as specified in Attachment 8, Policy of Equality, of this SOW.
- 13.11 Contractor and Contractor staff shall comply with the Photography and/or Press Relations requirements as specified in Attachment 9, Photography and/or Press Relations, of this SOW.
- 13.12 Contractor and Contractor staff shall comply with the Political Activities requirements as specified in Attachment 10, Political Activity, of this SOW.
- 13.13 Contractor and Contractor staff shall comply with the requirements of this SOW and as further specified in the Agreement, Paragraph 4, Administration of Agreement-Contractor.

14.0 OPERATING RESPONSIBILITIES

14.1 Compliance with Law

Contractor shall conform to and abide by all municipal and County ordinances, and all state and federal laws and regulations, insofar as the same or any of them are applicable. Where permits and/or licenses are required for the Concession and/or any construction authorized herein, the same must be first obtained from the regulatory agency having jurisdiction for such permits and/or licenses.

14.2 Compliance with Rules and Regulations

Contractor shall conform to and abide by all rules and regulations of the County Board of Supervisors and the Department insofar as the same or any of them are applicable.

14.3 Advertising Signs

Contractor shall not post signs for advertising in Department's Custody Facilities, unless prior written approval is obtained from the County Project Director.

14.4 Noninterference

Contractor shall not interfere with the duties of Custody Facility personnel where a Department approved vending machine is designated or located.

14.5 Utilities

County shall provide **existing** electrical outlets and water sources and pay for all necessary utilities with the exception of telephone service. Contractor waives any and all claims against County for compensation for loss or damage caused by a defect, power outage, power surge, deficiency, or impairment of any utility system, water supply system, drainage system, waste system, heating or gas system, electrical apparatus, or wires serving the Concession Premises.

During the term of the Agreement and at Contractor's own expense, Contractor shall install or pay costs associated with installation of vending machine electrical and/or water lines as needed to add equipment listed in Phase 2, Attachment 2, Vending Machine Type by Facility, refer to Section 4.4 of this SOW. Contractor acknowledges County must abide by safety and security regulations which govern infrastructure modification of Custody Facilities. As such, should regulations preclude Contractor from performing the actual work associated with installation of vending machine electrical and/or water lines, Contractor consents to County and/or designee completing the work on Contractor's behalf and that Contractor shall reimburse County and/or designee.

15.0 TECHNOLOGY ENHANCEMENTS

Goals and objectives:

- To provide real time access to Inmate's trust accounts
- To increase vending machine sales
- To increase efficiencies with managing vending machine transactions
- To eliminate use of vending machine debit cards
- To reduce theft/loss of merchandise associated with the use of vending machine debit cards

Proof of Concept:

Contractor shall execute a no cost Proof of Concept (POC) during the term of the Agreement as described in the POC Architecture Report for two (2) Technology Enhanced Vending Machines, including invoking all interfaces specified in the POC Architecture Report. The POC will demonstrate the capabilities of the Technology Enhanced Vending Machines and help determine the workability and feasibility of such vending machines in a Custody Facility environment. The POC shall begin within the first six (6) months of the Agreement. Research and

development costs associated with the POC, including the integrated device and interface requirements for deployment, shall be the sole responsibility of Contractor.

The Department currently has a standard fixed format interface appliance (Trust Accounting Interface) that will engage the Jail Information Management System (JIMS) application for Inmate verification, Inmate's current balance, spending conditions, and appropriate debit processing. There are two (2) services that will be called: Requesting Inmate Information and Processing Debits (see Attachment 11, Technology Enhancement Specifications, of this SOW). It is the responsibility of Contractor to provide all error handling as it relates to an invalid response from the JIMS Trust Accounting Interface.

The Department has no obligation for deployment beyond the POC and its two (2) Technology Enhanced Vending Machines. However, if the POC is successful, as determined by the Department at its sole discretion, the Department may choose to deploy additional Technology Enhanced Vending Machines using the POC proven technology. Such deployment shall be implemented only upon approval by the Department and pursuant to an executed Amendment to the Agreement. Contractor shall submit pricing of costs, if any, associated with the technology enhancement portion of any additional Technology Enhanced Vending Machines using the POC proven technology solution at the conclusion of the POC.

The Technology Enhanced Vending Machines shall be identified in Attachment 2, Vending Machine Type by Facility, Phase 3, Technology Enhanced Vending Machines, of this SOW.

ATTACHMENT 1

LOS ANGELES COUNTY SHERIFF'S DEPARTMENT

CUSTODY FACILITIES

CENTURY REGIONAL DETENTION FACILITY

11705 S. Alameda Street
Lynwood, CA 90262

TWIN TOWERS CORRECTIONAL FACILITY

450 E. Bauchet Street
Los Angeles, CA 90012

MEN'S CENTRAL JAIL

441 Bauchet Street
Los Angeles, CA 90012

NORTH COUNTY CORRECTIONAL FACILITY

29340 The Old Road
Saugus, CA 91384-2905

PITCHESS DETENTION CENTER - NORTH

29320 The Old Road
Saugus, CA 91384-2905

PITCHESS DETENTION CENTER - SOUTH

29330 The Old Road
Saugus, CA 91384-2905

PITCHESS DETENTION CENTER - EAST

29310 The Old Road
Saugus, CA 91384-2905

MIRA LOMA DETENTION CENTER

45100 N. 60th St. W.
Lancaster, CA 93536

INMATE RECEPTION CENTER (IRC)

450 E. Bauchet Street
Los Angeles, CA 90012

ATTACHMENT 2 **VENDING MACHINE TYPE BY FACILITY**

PHASE 1

REPLACEMENT OF EXISTING VENDING MACHINES

FACILITY*	DEBIT CARD CARD "READERS"	DEBIT CARD "ENHANCED READERS"	DEBIT-CARD READER "PRINTERS"	SNACK ITEMS	COLD BEVERAGES (WATER, SODA, ETC.)	HOT BEVERAGES (COFFEE, TEA, ETC.)	HOT/COLD FOOD ITEMS	ICE CREAM PRODUCTS	TOTAL
Century Regional Detention Center ***	1	1	1	14	16				33
Men's Central Jail				14	15				29
Mira Loma Detention Center**				9	16				25
North County Correctional Facility				17	8				25
Pitchess Detention Center - North				16	16				32
Pitchess Detention Center - East				14	14				28
Pitchess Detention Center - South				6	12				18
Twin Towers Correctional Facility				15	15				30
Inmate Reception Center (IRC)***	1	1	1						3
Inmate Services Unit (ISU) ***	2	2	2						6
TOTAL	4	4	4	105	112				229

* Subject to change during term of the Agreement.

** Mira Loma Detention Facility requires three change machines, as it uses coin-operated vending machines.

*** Debit Card Readers, Enhanced Readers, and Reader Printers required at Century Regional Detention Center, Inmate Reception Center and Inmate Services Unit.

ATTACHMENT 2 **VENDING MACHINE TYPE BY FACILITY**

PHASE 2

ADDITIONAL VENDING MACHINES

FACILITY	SNACK ITEMS	COLD BEVERAGES (WATER, SODA, ETC.)	HOT BEVERAGES (COFFEE, TEA, ETC.)	HOT/COLD FOOD ITEMS	ICE CREAM PRODUCTS	TOTAL
Century Regional Detention Center						
Men's Central Jail						
Mira Loma Detention Center						
North County Correctional Facility						
Pitchess Detention Center - North						
Pitchess Detention Center - East						
Pitchess Detention Center - South						
Twin Towers Correctional Facility						
Inmate Reception Center (IRC)						
TOTAL						25**

****** Type of machine and location to be determined. Refer to Section 4.3.1 of the SOW.

ATTACHMENT 2 **VENDING MACHINE TYPE BY FACILITY**

PHASE 3

TECHNOLOGY- ENHANCED VENDING MACHINES

FACILITY	SNACK ITEMS	COLD BEVERAGES (WATER, SODA, ETC.)	HOT BEVERAGES (COFFEE, TEA, ETC.)	HOT/COLD FOOD ITEMS	ICE CREAM PRODUCTS	TOTAL
Century Regional Detention Center						
Men's Central Jail						
Mira Loma Detention Center						
North County Correctional Facility						
Pitchess Detention Center - North						
Pitchess Detention Center - East						
Pitchess Detention Center - South						
Twin Towers Correctional Facility						
Inmate Reception Center (IRC)						
TOTAL						**

****** Refer to Section 15.0 of the SOW.

ATTACHMENT 3

VENDING MENU AND PRICE LIST

EFFECTIVE xxxxxx, xx 2010

Large bagged Chips	Price	Size
Large Funyuns	1.25	1.25oz
Large Hot Funyuns	1.25	1.25oz
Large Cheetos Flaming Hot	1.25	2.0 oz
Large Cheetos	1.25	2.0oz
Large Ruffles	1.25	1.50oz
Large Ruffles - Cheddar Sour Cream	1.25	1 1/8 oz
Large Lays	1.25	1.75 oz
Large Sunchips - French Onion	1.25	1.50oz
Large Sunchips - Pepper Corn Ranch	1.25	1.50oz
Large Sunchips - Harvest cheddar	1.25	1.50oz
Large Lays Kettle Chips	1.25	1.375oz
Pork Rinds - Hot-N-Spicy	1.25	1.0 oz
Miss Vickie's Jalapeno	1.25	1.375 oz
Doritos Jalapeno Poppers	1.25	1.75 oz
Doritos - Nacho Cheese	1.25	1.75 oz
Fritos - Chili Cheese	1.25	2.0 oz
Fritos - Corn	1.25	2.0 oz
TGI Fridays - Cheddar Bacon	1.25	1.75 oz
TGI Fridays - Spinach & Artichoke	1.25	1.75 oz
Large Rold Gold Pretzels	1.25	1.50oz
Snyder's Old Time Pretzel	1.25	2.25 oz
Snyder's Hot Buffalo Pretzel	1.25	2.25 oz
Snyder's Jalapeno	1.25	2.25 oz
Oberto's Beef Jerky	1.25	.09oz
SNACKS		
Grandma's Cookies - Vanilla Cream	1.25	2.75 oz.
Knott's Berry Farm Strawberry Cookies	1.25	3.0 oz.
Famous Amos Cookies	1.25	3.0oz
Chips Ahoy Cookies	1.25	3.0 oz.
Elfin Cookies	1.25	2.125 oz.

ATTACHMENT 3

VENDING MENU AND PRICE LIST

EFFECTIVE xxxxx, xx 2010

PASTRY ITEMS		
Entenmanns Cherry Cheese Pastry	1.50	5.0 oz
Entenmanns Cherry Cheese Strawberry Pastry	1.50	5.0 oz
Iced Honey Bun	1.50	5.0 oz
Kellogg's Frosted Strawberry Pop Tarts	1.25	3.67 oz
MISC. ITEMS		
Van Holten Pickles	1.50	8.0 oz
David Sunflower Seeds	1.50	1.75 oz
Welch's Mixed Fruit Snacks	1.50	2.25 oz
Zesta Saltine Crackers - 2pk	0.10	2pk
GUM & MINTS		
Breath Savers - Mint-a-Burst Mints	0.75	12 mints
Breath Savers - Pepper Mints - Roll	0.75	12 mints
CANDY ITEMS		
Kit Kat - Candy Bar	1.25	2.04 oz
M&M Peanut Chocolate Candies	1.25	1.74 oz
Snickers - Candy Bar	1.25	2.07 oz
Payday - Candy Bar	1.25	2.07 oz
Payday - Chocolate Candy bar	1.25	2.07 oz
Butterfinger - Candy Bar	1.25	2.07 oz
Skittles	1.25	2.17 oz
Starburst	1.25	2.07 oz
Twix - Candy Bar	1.25	2.0 oz
M & M Munch Bar	1.25	1.42 oz
M&M Milk Chocolate - Candy Bar	1.25	1.69 oz
CONCESSION CANDY		
Raisinettes - Chocolate Covered Raisins	1.50	3.5 oz
Reese's Pieces	1.50	3.5 oz
Reese's Peanut Minis bag	1.50	2.7 oz
Jolly Rancher's assorted bag	1.50	3.0 oz
Mike and Ike's	1.50	3.5 oz
INSTANT FOODS		
Maruchan Ramen (All flavors)	1.00	3.0 oz

ATTACHMENT 3

VENDING MENU AND PRICE LIST

EFFECTIVE xxxxxx, xx 2010

BEVERAGES		
All 16.9 oz. Bottles		
Coca-Cola Classic	1.75	16.9 oz
Diet Coke	1.75	16.9 oz
Dr. Pepper	1.75	16.9 oz
Diet Dr. Pepper	1.75	16.9 oz
Fanta Strawberry	1.75	16.9 oz
Sprite	1.75	16.9 oz
Cherry Coke	1.75	16.9 oz
Fanta Grape	1.75	16.9 oz
Fanta Orange	1.75	16.9 oz
Dasani - Water	1.75	16.9 oz
Raspberry Iced Tea	1.75	16.9 oz
Powerade Fruit Punch	1.75	16.9 oz
Powerade Green Squall	1.75	16.9 oz
Powerade Mountain Blast	1.75	16.9 oz
Powerade Orange	1.75	16.9 oz
HOT BEVERAGES		
Boston's Best French Vanilla Coffee	4.25	3.0 oz
Boston's Best Hot Chocolate	4.25	3.0 oz
Boston's Best Freeze Dried Coffee	4.25	3.0 oz
MEDICATIONS		
Cold Packs (Ibuprofen and Antacid)	2.45	0.1oz
Tolnafate 1% Antifungal Foot Cream	3.00	0.1oz

ATTACHMENT 4

RE-STOCKING AND MACHINE MAINTENANCE SCHEDULE

NOT ATTACHED

ATTACHMENT 5

3-01/090.00 SECURITY OF PERSONAL PROPERTY

In order to ensure the safety and security of all persons in Custody Facilities, the following personal property is prohibited inside security areas as indicated:

- * Weapons, including but not limited to, firearms and knives, are expressly prohibited in security areas of all Custody Facilities.
- * Except for the Officer Dining Room (ODR), and only with the specific permission of the Unit Commander, metal silverware shall not be brought into security areas of any Custody Facility.
- * Personal electrical appliances must be approved by the Unit Commander before being brought into the Custody Facility (e.g. coffee pots, toasters, heaters, fans, etc.).
- * Electronic entertainment devices are prohibited (e.g. tape, CD, or DVD players, games, radios, etc.).
- * Laptop computers and personal digital assistants (PDA's) shall be approved by the Watch Commander prior to entry into security areas on a daily, shift by shift basis.
- * Personal property containers shall not be brought into security areas (e.g. backpacks, fanny packs, purses, ice chests/food containers, etc.). Only soft-sided, hand-held lunch containers, which measure 11" x 14" x 12" or less will be allowed into secured parts of the facility.
- * Reading material not related to the job or the furtherance of formal education is prohibited.
- * Prescription medications exceeding that amount required for personal consumption during the concerned shift(s).
- * Umbrellas.
- * Cell phones.
- * Cameras shall not be allowed inside a Custody Facility unless prior approval is obtained from the Watch Commander or above.
- * Tobacco products, matches and cigarette lighters.

Personal security dictates that personnel should refrain from bringing items which contain personal identification information (e.g., wallets, purses, checkbooks, etc.) into security areas to prevent loss or compromise of information.

This policy does not limit persons from bringing into secure areas, items or containers that contain necessary tools (see Essential Tools as defined in Statement of Work, Section 11.11), training material or equipment to facilitate the performance of their duties, (i.e., tool chests, medical bags, digital test equipment, etc.), nor does it limit personnel, who are attending training, from entering the facility wearing civilian attire en route to the Officer's Dining Room (ODR).

This policy shall apply to all persons entering security areas of all Custody Facilities. Additionally, all personal property shall be secured at all times, and shall not be stored in any area accessible to inmates.

The Unit Commander has the final authority to determine what personal property is allowed within their facility.

ATTACHMENT 6

Page 1 of 4

**LOS ANGELES COUNTY SHERIFF'S DEPARTMENT
ENTRY APPLICATION FOR CUSTODY FACILITIES
Service Provider/ Contractor**

Organization: FIRST CLASS VENDING, INC.

PLEASE READ CAREFULLY BEFORE FILLING OUT THIS APPLICATION

All applications will be denied for the following reasons:

Untruthful or incomplete statements on applications;
Illegal use of drugs within the past three (3) years;
Convicted of bring a controlled substance into federal prison, state prison, or county jail;
Any convictions for drug sales;
Applicant is currently on Parole/Probation;
Incarcerated in any jail/prison within the last three (3) years;
Have been convicted for any of the following: murder, sex crime (other than misdemeanor prostitution), weapons law violations, felonious assault or spousal abuse;
Currently under psychiatric care;
Have relative in the Los Angeles County Jail;
Outstanding warrants

If any of the above do not apply to you, SUBMIT YOUR APPLICATION (Complete Attachment). All information will be verified by a CRIMINAL BACKGROUND CHECK. If your application is denied, you will be notified and we will not discuss the reason for denial with anyone except you. Please initial here:

Name _____ Social Security # _____

Home Address _____
Street City Zip Code

C.D.L. / I.D. # _____ Date of Birth _____

Home Phone # _____ Work # _____

Sex _____ Race _____ Hair _____ Eyes _____ Height _____ Weight _____

Occupation _____ Employer _____

Work Address _____
Street City Zip Code

APPROVED / DISAPPROVED _____ DATE _____

CONTACT IN CASE OF EMERGENCY:

Name _____ Relationship _____

Address _____
Street City Zip Code

Telephone # (____) _____

Organization/ Employer:

Name _____

Address _____
Street City Zip Code

Telephone # (____) _____

What service will you provide? _____

How Often? _____

Entry Criteria:

If you answer YES to any question, please attach an explanation to this application.

1. What kind(s) of illegal drug(s) have you used? _____
2. When is the last time you used drugs? _____
3. Are you currently on Parole/Probation? _____
4. Have you been incarcerated within the last three years? (Prison/County/Jail/Youth Authority/Camp) _____
5. Are you currently under Psychiatric Care? _____
6. Do you have any relatives/friends incarcerated within the Los Angeles County Jail system?

If yes, provide the following information:

Name of Inmate	Booking #	Facility	Relationship
----------------	-----------	----------	--------------

7. Have you ever been arrested for murder? _____
8. Have you ever been convicted of a sex crime? _____
9. Have you ever been convicted of a Weapons Violation? _____
10. Are you filling out this application as a condition of employment? _____

ATTACHMENT 6

Page 3 of 4

Please read carefully before signing:

I certify that all information on this application is accurate. I understand that the Los Angeles County Sheriff's Department will verify the information prior to approving my application. As a civilian volunteer, I will be expected to obey all Rules, Regulations and Security Procedures. My failure to do so will result in my forfeiture of volunteer services with the Los Angeles County Sheriff's Department.

I AM AWARE THAT IN THE EVENT OF A HOSTAGE SITUATION, THE SHERIFF'S DEPARTMENT POLICY IS NOT TO ALLOW A PRISONER TO ESCAPE WITH A HOSTAGE. Please initial here: _____

All persons entering or materials being brought into a jail facility are subject to search anytime.

Signature _____ Date _____

(False information on this application is subject to immediate dismissal)

ATTACHMENT

Signature: _____ Date: _____

ATTACHMENT 7

5-07/010.00 CONTRABAND DEFINED

Contraband includes, but is not limited to:

- Any goods brought illegally into the jail,
- Allowable Inmate property in excess of authorized limits,
- Any item legally possessed which has been altered from its original form, contents, or purpose,
- Any material which is pornography, sexually explicit material that depicts full or partial frontal nudity and/or sexual acts; depicts violent acts, violence or cruelty to animals; depicts or describes how to create weapons or defeat jail security; depicts or describes how to commit crimes; or any matter concerning illegal gambling or an unlawful lottery,
- Any item illegally in the possession of an Inmate, or in violation of posted facility rules,
- Possession of illegal drugs, guns, handmade weapons, lethal weapons, knives, shanks, and tattoo equipment,
- Any item that is worn, carried or displayed that denotes gang affiliation,
- Any gambling paraphernalia such as dice, chips, markers and marked decks of cards,
- Property not listed in the Custody Division Manual, sections 7-02/000.00 and 7-03/000.00, "Allowable Inmate Property,"
- Perishable items, which will be disposed of.

ATTACHMENT 8

INTENTIONALLY OMITTED

ATTACHMENT 9

PHOTOGRAPHY AND/OR PRESS RELATIONS

As a service provider, you are being allowed into our Custody Facilities as a guest of the Sheriff's Department. As a guest, your access to the jails provides you with knowledge which may not be readily available to the public. Our jails have in the past, and will continue to house many noteworthy individuals who may be of interest to the press (e.g. movie stars, sports celebrities, government officials, etc.) These individuals, as well as all other Inmates, are to be considered innocent until proven guilty. During the course of your duties, you will become aware of information regarding Inmates and their stay in custody. You will also become familiar with the security practices of your assigned Custody Facility. This information is often confidential in nature and if released may be detrimental to the safety and well being of Inmates or staff or could subject you to criminal prosecution. In order to protect all parties involved, policies involving the release of information have been developed. It is not the Sheriff's Department intention to interfere with any person's rights, as granted by the United States Constitution and Bill of Rights, but to protect the rights of all individuals.

The steps taken here are not done with the intent to minimize your individual rights but to ensure that the rights of all Inmates remanded to the custody of the Sheriff's Department are not compromised.

The policy regarding photography and/or press relations is as follows:

Volunteers and service providers shall seek input from the Chief of Correctional Services Division prior to the release to the press of any information regarding jail conditions or operations. The release of confidential information shall be grounds for revocation of access privileges to any Sheriff's Department Custody Facilities.

All news media organizations requesting direct contact with Inmates, including interviews and photographs, must comply with the Sheriff's Department Manual of Policy and Procedures, Section 5-03/060.10.

Volunteers and service providers shall obtain approval from the Sheriff's Headquarters' Film and Media Unit prior to photographing or videotaping, or recording Inmates, per the Custody Division Manual of Policy and Procedures, Section 5-16/000.00.

Volunteers and service providers shall not use the names, photos, likenesses, of any Inmate to promote or advertise their program or services without the expressed written approval of both the Sheriff's Department and the Inmate(s) in question. This includes any public viewing of photos (e.g. power point presentations, web sites, TV, printed material).

ATTACHMENT 10

POLITICAL ACTIVITY

Prohibited Political Activities

- Engaging in any political activity whatsoever on County premises,
- Placing or attaching any political poster, sticker, sign or similar material on County property,
- Soliciting political funds or contributions, directly or indirectly,
- Soliciting contributions, signatures or other forms of support for political candidates, parties, or ballot measures within or upon County property at any time, and
 Example: County employees and members of the general public shall not solicit signatures for a nominating petition in a County building or on County property,
- Directly or indirectly attempting to interfere with any election or influencing the political actions of anyone by promising, threatening to withhold, giving or withholding anything of value.

ATTACHMENT 11

JIMS Trust Accounting Interface

TECHNOLOGY ENHANCEMENT SPECIFICATIONS

Requesting Inmate Information:

Required Information:

1	Requestor ID	Varchar (30)	Unique identifier of the client requesting the service
2	Offender Book No	Varchar (14)	Inmate Booking Number

Returned Information:

	FIELD	TYPE	DESCRIPTION
1*	Booking No	Varchar (14)	Same Offender Booking No provided in the service request.
2*	Offender ID display	Varchar (10)	Unique ID assigned to the offender
3*	Last name	Varchar (30)	
4*	First name	Varchar (30)	
5*	Middle name	Varchar (30)	
6*	Gender	Varchar (1)	Gender of the offender (Values 'M' of 'F')
7*	Date of birth	DateTime	
8	Agency location ID	Varchar (6)	Unique identifier of the agency location where the offender is assigned.
9	Agency description	Varchar (40)	Name of the agency location.
10	In / Out status	Varchar (12)	Defines if offender is currently located in the specified agency location. (Values 'IN' or 'OUT')
11*	Admit date	DateTime	Date when the offender was booked
12*	Release date	DateTime	Date when the offender was released
13*	Housing location	Varchar (40)	Textual description of the offender location
14*	Regular balance	Number (11,2)	Available balance in offender's regular account.
15*	Proper balance	Number (11,2)	Available balance in offender's proper account.
16*	Indigent flag	Varchar (1)	Indicate the indigence status of the offender ("Y", 'N')
17*	Return code	Numeric (2)	Indicates if the record contains valid information (Code = 0) or an error was detected when validating the offender that prevent the service to return valid information (Code > 0)
18*	Error description	Varchar (40)	When "Return code" > 0 this field contains a textual description of the error found.

Processing Debits:

Required Information:

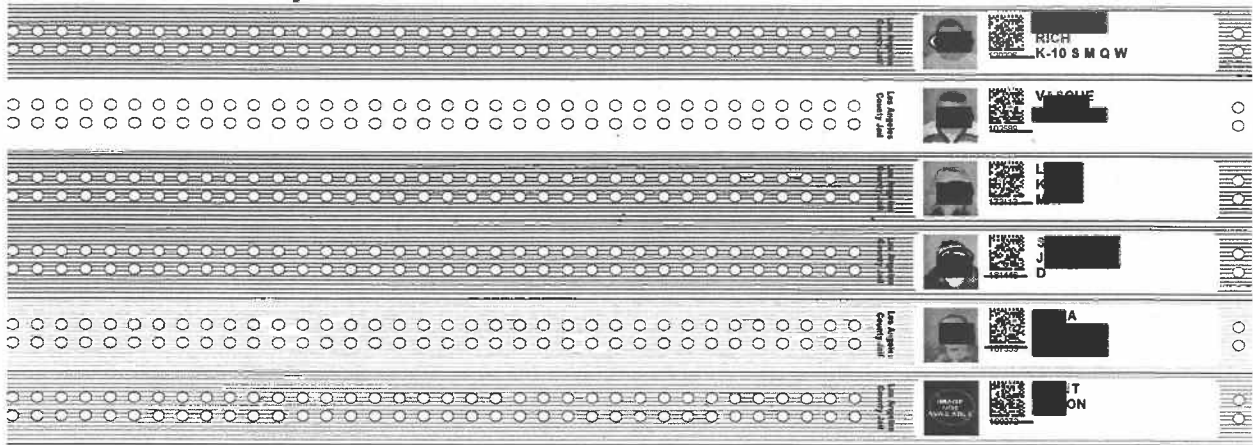
1	Requestor ID	Varchar (30)	Unique identifier of the client requesting the service
2*	Client Txn ID (KCNUUniqueTransId)	Varchar (10)	Code assigned by the client that uniquely identifies each transaction.
3*	Offender_id_display (PermanentId)	Varchar(10)	Offender's unique identification code. (field 2 – Service 1)
4*	Order number	Numeric ()	Order identification number
5*	Order date	DateTime	Order / Refund date
6*	Transaction code	Varchar(10)	Type of transaction the client requests the service to apply.
7*	Amount	Numeric (11,2)	Amount to be credited / debited to the offender's account
8*	Description	Varchar ()	Free text

ATTACHMENT 11

Returned Information:

1*	Return code	Numeric (2)	Indicates if the transaction was applied successfully (Code 0) or if an problem was encountered that prevented the transaction to be completed (Code>0)
2*	Error description	Varchar (40)	Textual description of the first problem that prevented the transaction to be completed.
3*	TAG Transaction ID	Varchar (10)	Unique identification number assigned by TAG to the credit / debit transaction when it is completed successfully.

Wristband examples with 2D Bar Codes:



Wristband examples with 1D Bar Codes:

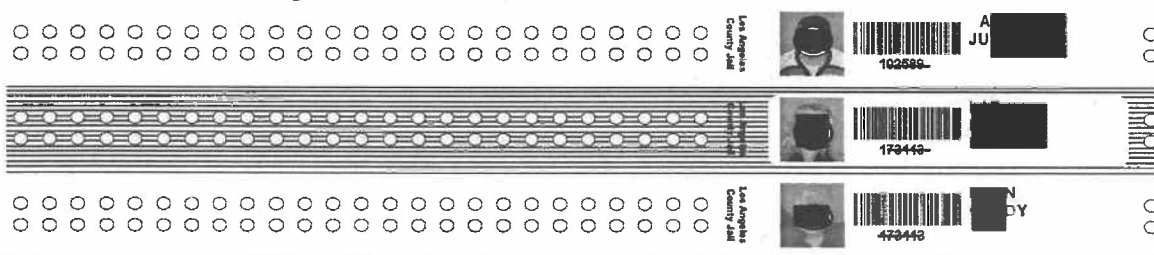


EXHIBIT C

COUNTY'S PERCENTAGE OF REVENUE

VENDING MACHINE SERVICES – INMATES ONLY

EXHIBIT C

COUNTY'S PERCENTAGE OF REVENUE

Contractor shall pay to County, for the Concession and use granted herein, a "County's Percentage of Revenue" of "Gross Proceeds" as those terms are defined in Paragraph 2 (Definitions) and used in Paragraph 9 (County Percentage of Revenue) of the Agreement as follows:

PERCENTAGE OF GROSS PROCEEDS

<u>38.6%</u>	/	<u>61.4%</u>
County		Contractor

EXHIBIT D

CONTRACTOR'S EEO CERTIFICATION

VENDING MACHINE SERVICES – INMATES ONLY

CONTRACTOR'S EEO CERTIFICATION

Contractor Name

Address

Internal Revenue Service Employer Identification Number

GENERAL CERTIFICATION

In accordance with Section 4.32.010 of the Code of the County of Los Angeles, Contractor, supplier, or vendor certifies and agrees that all persons employed by such firm, its affiliates, subsidiaries, or holding companies are and will be treated equally by the firm without regard to or because of race, religion, ancestry, national origin, or sex and in compliance with all anti-discrimination laws of the United States of America and the State of California.

CONTRACTOR'S SPECIFIC CERTIFICATIONS

- | | | |
|--|------------------------------|-----------------------------|
| 1. Contractor has a written policy statement prohibiting discrimination in all phases of employment. | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 2. Contractor periodically conducts a self analysis or utilization analysis of its work force. | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 3. Contractor has a system for determining if its employment practices are discriminatory against protected groups. | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| 4. Where problem areas are identified in employment practices, Contractor has a system for taking reasonable corrective action, to include establishment of goals or timetables. | Yes <input type="checkbox"/> | No <input type="checkbox"/> |

Authorized Official's Printed Name and Title

Authorized Official's Signature

Date

EXHIBIT E1

**CONTRACTOR'S EMPLOYEE ACKNOWLEDGEMENT
AND CONFIDENTIALITY AGREEMENT**

EXHIBIT E2

**CONTRACTOR'S NON-EMPLOYEE
ACKNOWLEDGEMENT AND CONFIDENTIALITY
AGREEMENT**

**VENDING MACHINE SERVICES –
INMATES ONLY**

CONTRACTOR EMPLOYEE ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT

EXHIBIT E1

(Note: This certification is to be executed and returned to County with Contractor's executed Agreement. Work cannot begin on the Agreement until County receives this executed document.)

Contractor Name _____ Contract No. _____

Employee Name _____

GENERAL INFORMATION:

Your employer referenced above has entered into a contract with the County of Los Angeles to provide certain services to the County. The County requires your signature on this Contractor Employee Acknowledgement and Confidentiality Agreement.

EMPLOYEE ACKNOWLEDGEMENT:

I understand and agree that the Contractor referenced above is my sole employer for purposes of the above-referenced contract. I understand and agree that I must rely exclusively upon my employer for payment of salary and any and all other benefits payable to me or on my behalf by virtue of my performance of work under the above-referenced contract.

I understand and agree that I am not an employee of the County of Los Angeles for any purpose whatsoever and that I do not have and will not acquire any rights or benefits of any kind from the County of Los Angeles by virtue of my performance of work under the above-referenced contract. I understand and agree that I do not have and will not acquire any rights or benefits from the County of Los Angeles pursuant to any agreement between any person or entity and the County of Los Angeles.

I understand and agree that I may be required to undergo a background and security investigation(s). I understand and agree that my continued performance of work under the above-referenced contract is contingent upon my passing, to the satisfaction of the County, any and all such investigations. I understand and agree that my failure to pass, to the satisfaction of the County, any such investigation shall result in my immediate release from performance under this and/or any future contract.

CONFIDENTIALITY AGREEMENT:

I may be involved with work pertaining to services provided by the County of Los Angeles and, if so, I may have access to confidential data and information pertaining to persons and/or entities receiving services from the County. In addition, I may also have access to proprietary information supplied by other vendors doing business with the County of Los Angeles. The County has a legal obligation to protect all such confidential data and information in its possession, especially data and information concerning health, criminal, and welfare recipient records. I understand that if I am involved in County work, the County must ensure that I, too, will protect the confidentiality of such data and information. Consequently, I understand that I must sign this agreement as a condition of my work to be provided by my employer for the County. I have read this agreement and have taken due time to consider it prior to signing.

I hereby agree that I will not divulge to any unauthorized person any data or information obtained while performing work pursuant to the above-referenced contract between my employer and the County of Los Angeles. I agree to forward all requests for the release of any data or information received by me to my immediate supervisor.

I agree to keep confidential all health, criminal, and welfare recipient records and all data and information pertaining to persons and/or entities receiving services from the County, design concepts, algorithms, programs, formats, documentation, Contractor proprietary information and all other original materials produced, created, or provided to or by me under the above-referenced contract. I agree to protect these confidential materials against disclosure to other than my employer or County employees who have a need to know the information. I agree that if proprietary information supplied by other County vendors is provided to me during this employment, I shall keep such information confidential.

I agree to report to my immediate supervisor any and all violations of this agreement by myself and/or by any other person of whom I become aware. I agree to return all confidential materials to my immediate supervisor upon completion of this contract or termination of my employment with my employer, whichever occurs first.

SIGNATURE: _____

DATE: ____/____/____

PRINTED NAME: _____

POSITION: _____

CONTRACTOR NON-EMPLOYEE ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT

EXHIBIT E2

(Note: This certification is to be executed and returned to County with Contractor's executed Agreement. Work cannot begin on the Agreement until County receives this executed document.)

Contractor Name _____ Contract No. _____

Non-Employee Name _____

GENERAL INFORMATION:

The Contractor referenced above has entered into a contract with the County of Los Angeles to provide certain services to the County. The County requires your signature on this Contractor Non-Employee Acknowledgement and Confidentiality Agreement.

NON-EMPLOYEE ACKNOWLEDGEMENT:

I understand and agree that the Contractor referenced above has exclusive control for purposes of the above-referenced contract. I understand and agree that I must rely exclusively upon the Contractor referenced above for payment of salary and any and all other benefits payable to me or on my behalf by virtue of my performance of work under the above-referenced contract.

I understand and agree that I am not an employee of the County of Los Angeles for any purpose whatsoever and that I do not have and will not acquire any rights or benefits of any kind from the County of Los Angeles by virtue of my performance of work under the above-referenced contract. I understand and agree that I do not have and will not acquire any rights or benefits from the County of Los Angeles pursuant to any agreement between any person or entity and the County of Los Angeles.

I understand and agree that I may be required to undergo a background and security investigation(s). I understand and agree that my continued performance of work under the above-referenced contract is contingent upon my passing, to the satisfaction of the County, any and all such investigations. I understand and agree that my failure to pass, to the satisfaction of the County, any such investigation shall result in my immediate release from performance under this and/or any future contract.

CONFIDENTIALITY AGREEMENT:

I may be involved with work pertaining to services provided by the County of Los Angeles and, if so, I may have access to confidential data and information pertaining to persons and/or entities receiving services from the County. In addition, I may also have access to proprietary information supplied by other vendors doing business with the County of Los Angeles. The County has a legal obligation to protect all such confidential data and information in its possession, especially data and information concerning health, criminal, and welfare recipient records. I understand that if I am involved in County work, the County must ensure that I, too, will protect the confidentiality of such data and information. Consequently, I understand that I must sign this agreement as a condition of my work to be provided by the above-referenced Contractor for the County. I have read this agreement and have taken due time to consider it prior to signing.

I hereby agree that I will not divulge to any unauthorized person any data or information obtained while performing work pursuant to the above-referenced contract between the above-referenced Contractor and the County of Los Angeles. I agree to forward all requests for the release of any data or information received by me to the above-referenced Contractor.

I agree to keep confidential all health, criminal, and welfare recipient records and all data and information pertaining to persons and/or entities receiving services from the County, design concepts, algorithms, programs, formats, documentation, Contractor proprietary information, and all other original materials produced, created, or provided to or by me under the above-referenced contract. I agree to protect these confidential materials against disclosure to other than the above-referenced Contractor or County employees who have a need to know the information. I agree that if proprietary information supplied by other County vendors is provided to me, I shall keep such information confidential.

I agree to report to the above-referenced Contractor any and all violations of this agreement by myself and/or by any other person of whom I become aware. I agree to return all confidential materials to the above-referenced Contractor upon completion of this contract or termination of my services hereunder, whichever occurs first.

SIGNATURE: _____

DATE: ____/____/____

PRINTED NAME: _____

POSITION: _____

EXHIBIT F

CONTRACT DISCREPANCY REPORT

**VENDING MACHINE SERVICES –
INMATES ONLY**

EXHIBIT F
CONTRACT DISCREPANCY REPORT

TO:

FROM:

DATES: **Prepared:** _____
 Returned by Contractor: _____
 Action Completed: _____

DISCREPANCY PROBLEMS: _____

Signature of County Representative

Date

CONTRACTOR RESPONSE (Cause and Corrective Action): _____

Signature of Contractor Representative

Date

COUNTY EVALUATION OF CONTRACTOR RESPONSE: _____

Signature of County Representative

Date

COUNTY ACTIONS: _____

CONTRACTOR NOTIFIED OF ACTION:

County Representative's Signature and Date _____

Contractor Representative's Signature and Date _____

EXHIBIT G

PERFORMANCE REQUIREMENTS SUMMARY (PRS) CHART

VENDING MACHINE SERVICES – INMATES ONLY

County of Los Angeles
Sheriff's Department
First Class Vending, Inc.

Exhibit G – PRS
Vending Machine Services – Inmates Only

PERFORMANCE REQUIREMENTS SUMMARY (PRS) CHART

SPECIFIC PERFORMANCE REFERENCE	SERVICE	MONITORING METHOD	DEDUCTIONS/FEEES TO BE ASSESSED
Agreement: Paragraph 4.0 - Administration of Agreement- Contractor	Contractor shall notify the County in writing of any change in name or address of the Contractor Project Manager.	Inspection & Observation	\$50 per occurrence
Agreement: Sub-paragraph 4.4 – Regular Management Meetings	Contractor Project Director and/or Contractor Project Manager shall attend Title 15 meetings.	Attendance	\$50 per occurrence
Agreement: Sub-paragraph 4.4 – Regular Management Meetings	Contractor shall present at the Title 15 meetings a monthly overview of vending sales, trends and contemporary vending issues, which shall include, but are not limited to, sales spikes, billing, inmate complaints, machine maintenance, theft, security concerns involving vending machines, and any other problems being realized by the County or Contractor.	Presentation at Title 15 meetings	\$50 per occurrence

SPECIFIC PERFORMANCE REFERENCE	SERVICE	MONITORING METHOD	DEDUCTIONS/FEEES TO BE ASSESSED
Exhibit A – Additional Terms and Conditions: Paragraph 40.0 – Records and Audits	Contractor to maintain all required documents as specified in Paragraph 40.0.	Inspection of files	\$100 per inspection
Exhibit B - SOW: Section 1.0 – General Requirements	All brands must have prior approval by County Project Director or County Project Manager.	Inspection of items in vending machines and Vending Menu and Price List.	\$50 for each brand found in vending machines that was not an approved brand
Exhibit B – SOW – Sub-section 2.4	Contractor shall remove any merchandise requested by County, which County determines to be inappropriate or a safety or health risk immediately, but in no instance, shall removal extend beyond 24 hours.	Inspection of vending machines and Vending Menu and Price List	\$100 per occurrence

SPECIFIC PERFORMANCE REFERENCE	SERVICE	MONITORING METHOD	DEDUCTIONS/FEES TO BE ASSESSED
Exhibit B – SOW – Sub-section 5.3	Contractor shall have a sufficient supply of vending machine debit cards in inventory and ensure that Department's Commissary Services Contractor has a sufficient supply of pre-set value vending machine cards at all times.	Inquiry of, or complaint by Commissary vendor	\$100 per occurrence
Exhibit B – SOW – Section 7.3	Contractor shall pro-actively remove any item found to be past the expiration date and replace it immediately or within twenty-four (24) hours after requested by County Project Manager or designee.	Inspection of merchandise in vending machines	\$50 per occurrence
Exhibit B – SOW – Sub-section 7.3.1	Contractor shall ensure that expiration, sell by or use by dates are not tampered with in any way on all items placed in the vending machines.	Inspection of merchandise in vending machines.	\$100 per occurrence

SPECIFIC PERFORMANCE REFERENCE	SERVICE	MONITORING METHOD	DEDUCTIONS/FEEES TO BE ASSESSED
Exhibit B – SOW – Sub-section 11.9.2	Should this Action Plan not be implemented within 30 calendar days from the date of the second instance liquidated damages will be assessed as stated in this Exhibit G, PRS of the Agreement. County Project Director has the discretion to exempt any instance in writing.	Action plan not implemented as required	\$100 per occurrence

EXHIBIT H

JURY SERVICE ORDINANCE

VENDING MACHINE SERVICES – INMATES ONLY

Title 2 ADMINISTRATION
Chapter 2.203.010 through 2.203.090
CONTRACTOR EMPLOYEE JURY SERVICE

2.203.010 Findings.

The board of supervisors makes the following findings. The county of Los Angeles allows its permanent, full-time employees unlimited jury service at their regular pay. Unfortunately, many businesses do not offer or are reducing or even eliminating compensation to employees who serve on juries. This creates a potential financial hardship for employees who do not receive their pay when called to jury service, and those employees often seek to be excused from having to serve. Although changes in the court rules make it more difficult to excuse a potential juror on grounds of financial hardship, potential jurors continue to be excused on this basis, especially from longer trials. This reduces the number of potential jurors and increases the burden on those employers, such as the county of Los Angeles, who pay their permanent, full-time employees while on juror duty. For these reasons, the county of Los Angeles has determined that it is appropriate to require that the businesses with which the county contracts possess reasonable jury service policies. (Ord. 2002-0015 § 1 (part), 2002)

2.203.020 Definitions.

The following definitions shall be applicable to this chapter:

- A. "Contractor" means a person, partnership, corporation or other entity which has a contract with the county or a subcontract with a county contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one or more such contracts or subcontracts.
- B. "Employee" means any California resident who is a full-time employee of a contractor under the laws of California.
- C. "Contract" means any agreement to provide goods to, or perform services for or on behalf of, the county but does not include:
 - 1. A contract where the board finds that special circumstances exist that justify a waiver of the requirements of this chapter; or
 - 2. A contract where federal or state law or a condition of a federal or state program mandates the use of a particular contractor; or
 - 3. A purchase made through a state or federal contract; or
 - 4. A monopoly purchase that is exclusive and proprietary to a specific manufacturer, distributor, or reseller, and must match and inter-member with existing supplies, equipment or systems maintained by the county pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section P-3700 or a successor provision; or
 - 5. A revolving fund (petty cash) purchase pursuant to the Los Angeles County Fiscal Manual, Section 4.4.0 or a successor provision; or
 - 6. A purchase card purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section P-2810 or a successor provision; or
 - 7. A non-agreement purchase with a value of less than \$5,000 pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section A-0300 or a successor provision; or
 - 8. A bona fide emergency purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, Section PP-1100 or a successor provision.

Title 2 ADMINISTRATION
Chapter 2.203.010 through 2.203.090
CONTRACTOR EMPLOYEE JURY SERVICE

Page 2 of 3

- D. "Full time" means 40 hours or more worked per week, or a lesser number of hours if:
1. The lesser number is a recognized industry standard as determined by the chief administrative officer, or
 2. The contractor has a long-standing practice that defines the lesser number of hours as full time.
- E. "County" means the county of Los Angeles or any public entities for which the board of supervisors is the governing body. (Ord. 2002-0040 § 1, 2002: Ord. 2002-0015 § 1 (part), 2002)

2.203.030 Applicability.

This chapter shall apply to contractors who enter into contracts that commence after July 11, 2002. This chapter shall also apply to contractors with existing contracts which are extended into option years that commence after July 11, 2002. Contracts that commence after May 28, 2002, but before July 11, 2002, shall be subject to the provisions of this chapter only if the solicitations for such contracts stated that the chapter would be applicable. (Ord. 2002-0040 § 2, 2002: Ord. 2002-0015 § 1 (part), 2002)

2.203.040 Contractor Jury Service Policy.

A contractor shall have and adhere to a written policy that provides that its employees shall receive from the contractor, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that employees deposit any fees received for such jury service with the contractor or that the contractor deduct from the employees' regular pay the fees received for jury service. (Ord. 2002-0015 § 1 (part), 2002)

2.203.050 Other Provisions.

- A. Administration. The chief administrative officer shall be responsible for the administration of this chapter. The chief administrative officer may, with the advice of county counsel, issue interpretations of the provisions of this chapter and shall issue written instructions on the implementation and ongoing administration of this chapter. Such instructions may provide for the delegation of functions to other county departments.
- B. Compliance Certification. At the time of seeking a contract, a contractor shall certify to the county that it has and adheres to a policy consistent with this chapter or will have and adhere to such a policy prior to award of the contract. (Ord. 2002-0015 § 1 (part), 2002)

2.203.060 Enforcement and Remedies.

For a contractor's violation of any provision of this chapter, the county department head responsible for administering the contract may do one or more of the following:

1. Recommend to the board of supervisors the termination of the contract; and/or,
2. Pursuant to chapter 2.202, seek the debarment of the contractor. (Ord. 2002-0015 § 1 (part), 2002)

Title 2 ADMINISTRATION
Chapter 2.203.010 through 2.203.090
CONTRACTOR EMPLOYEE JURY SERVICE

Page 3 of 3

2.203.070. Exceptions.

- A. Other Laws. This chapter shall not be interpreted or applied to any contractor or to any employee in a manner inconsistent with the laws of the United States or California.
- B. Collective Bargaining Agreements. This chapter shall be superseded by a collective bargaining agreement that expressly so provides.
- C. Small Business. This chapter shall not be applied to any contractor that meets all of the following:
 - 1. Has ten or fewer employees during the contract period; and,
 - 2. Has annual gross revenues in the preceding twelve months which, if added to the annual amount of the contract awarded, are less than \$500,000; and,
 - 3. Is not an affiliate or subsidiary of a business dominant in its field of operation.

"Dominant in its field of operation" means having more than ten employees and annual gross revenues in the preceding twelve months which, if added to the annual amount of the contract awarded, exceed \$500,000.

"Affiliate or subsidiary of a business dominant in its field of operation" means a business which is at least 20 percent owned by a business dominant in its field of operation, or by partners, officers, directors, majority stockholders, or their equivalent, of a business dominant in that field of operation. (Ord. 2002-0015 § 1 (part), 2002)

2.203.090. Severability.

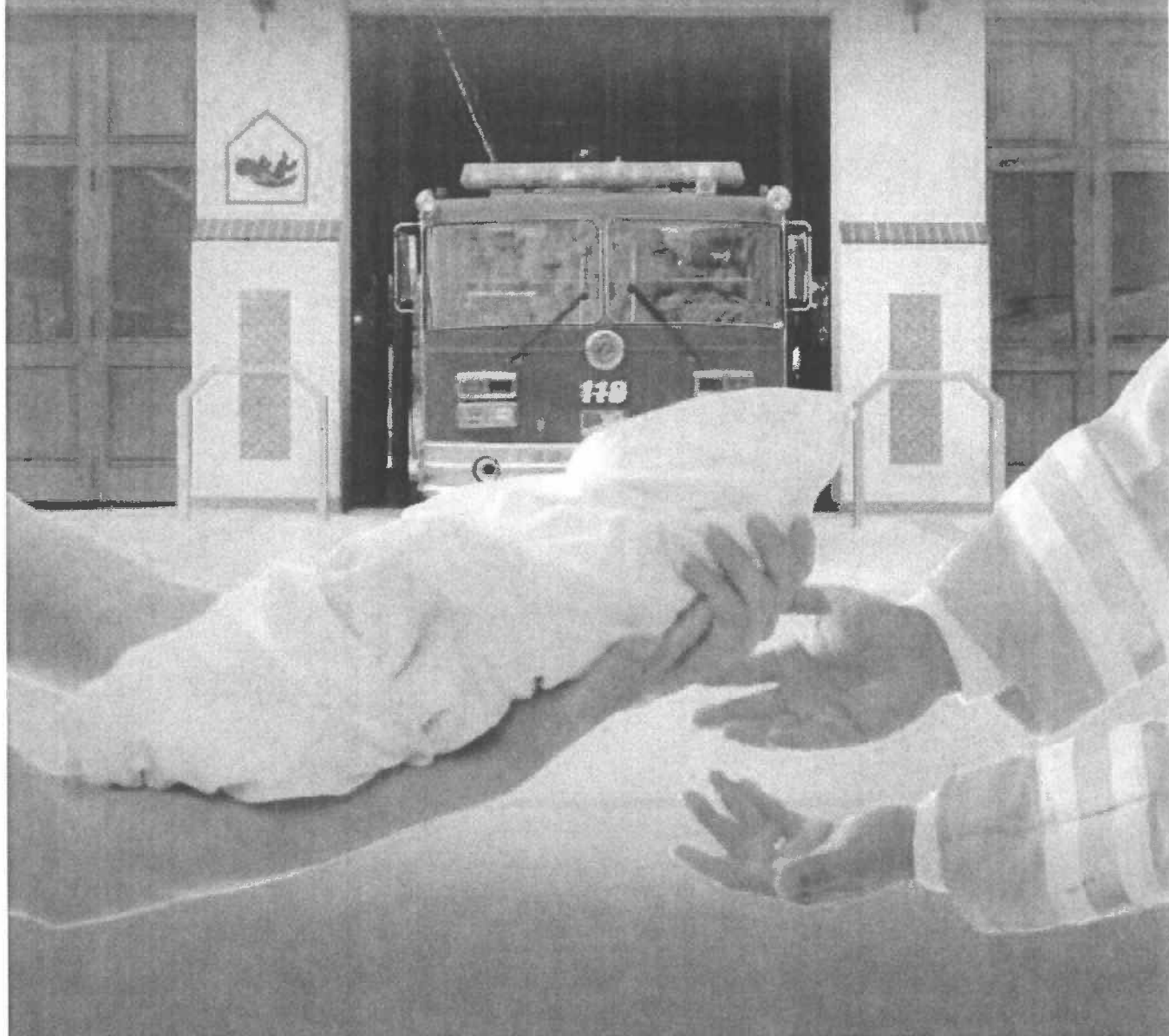
If any provision of this chapter is found invalid by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect. (Ord. 2002-0015 § 1 (part), 2002)

EXHIBIT I

SAFELY SURRENDERED BABY LAW

VENDING MACHINE SERVICES – INMATES ONLY

Safely Surrendered



No shame. No blame. No names.

In Los Angeles County: 1-877-BABY SAFE • 1-877-222-9723

www.babysafeia.org



Safely Surrendered Baby Law

What is the Safely Surrendered Baby Law?

California's Safely Surrendered Baby Law allows parents or other persons, with lawful custody, which means anyone to whom the parent has given permission to confidentially surrender a baby. As long as the baby is three days (72 hours) of age or younger and has not been abused or neglected, the baby may be surrendered without fear of arrest or prosecution.

How does it work?

A distressed parent who is unable or unwilling to care for a baby can legally, confidentially, and safely surrender a baby within three days (72 hours) of birth. The baby must be handed to an employee at a hospital or fire station in Los Angeles County. As long as the baby shows no sign of abuse or neglect, no name or other information is required. In case the parent changes his or her mind at a later date and wants the baby back, staff will use bracelets to help connect them to each other. One bracelet will be placed on the baby, and a matching bracelet will be given to the parent or other surrendering adult.

What if a parent wants the baby back?

Parents who change their minds can begin the process of reclaiming their baby within 14 days. These parents should call the Los Angeles County Department of Children and Family Services at 1-800-540-4000.

Can only a parent bring in the baby?

No. While in most cases a parent will bring in the baby, the Law allows other people to bring in the baby if they have lawful custody.

Does the parent or surrendering adult have to call before bringing in the baby?

No. A parent or surrendering adult can bring in a baby anytime, 24 hours a day, 7 days a week, as long as the parent or surrendering adult surrenders the baby to someone who works at the hospital or fire station.

Does the parent or surrendering adult have to tell anything to the people taking the baby?

No. However, hospital or fire station personnel will ask the surrendering party to fill out a questionnaire designed to gather important medical history information, which is very useful in caring for the baby. The questionnaire includes a stamped return envelope and can be sent in at a later time.

What happens to the baby?

The baby will be examined and given medical treatment. Upon release from the hospital, social workers immediately place the baby in a safe and loving home and begin the adoption process.

What happens to the parent or surrendering adult?

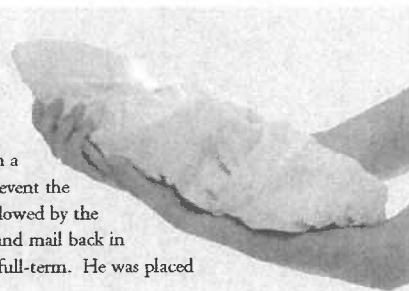
Once the parent or surrendering adult surrenders the baby to hospital or fire station personnel, they may leave at any time.

Why is California doing this?

The purpose of the **Safely Surrendered Baby Law** is to protect babies from being abandoned, hurt or killed by their parents. You may have heard tragic stories of babies left in dumpsters or public bathrooms. Their parents may have been under severe emotional distress. The mothers may have hidden their pregnancies, fearful of what would happen if their families found out. Because they were afraid and had no one or nowhere to turn for help, they abandoned their babies. Abandoning a baby is illegal and places the baby in extreme danger. Too often, it results in the baby's death. The **Safely Surrendered Baby Law** prevents this tragedy from ever happening again in California.

A baby's story

Early in the morning on April 9, 2005, a healthy baby boy was safely surrendered to nurses at Harbor-UCLA Medical Center. The woman who brought the baby to the hospital identified herself as the baby's aunt and stated the baby's mother had asked her to bring the baby to the hospital on her behalf. The aunt was given a bracelet with a number matching the anklet placed on the baby; this would provide some identification in the event the mother changed her mind about surrendering the baby and wished to reclaim the baby in the 14-day period allowed by the Law. The aunt was also provided with a medical questionnaire and said she would have the mother complete and mail back in the stamped return envelope provided. The baby was examined by medical staff and pronounced healthy and full-term. He was placed with a loving family that had been approved to adopt him by the Department of Children and Family Services.



Ley de Entrega de Bebés *Sin Peligro*



*Los recién nacidos pueden ser entregados en forma segura al personal
de cualquier hospital o cuartel de bomberos del Condado de Los Angeles*

Sin pena. Sin culpa. Sin nombres.

En el Condado de Los Angeles: 1-877-BABY SAFE • 1-877-222-9723

www.babysafe.org



Ley de Entrega de Bebés Sin Peligro

¿Qué es la Ley de Entrega de Bebés sin Peligro?

La Ley de Entrega de Bebés sin Peligro de California permite la entrega confidencial de un recién nacido por parte de sus padres u otras personas con custodia legal, es decir cualquier persona a quien los padres le hayan dado permiso. Siempre que el bebé tenga tres días (72 horas) de vida o menos, y no haya sufrido abuso ni negligencia, pueden entregar al recién nacido sin temor de ser arrestados o procesados.

Cada recién nacido se merece la oportunidad de tener una vida saludable. Si alguien que usted conoce está pensando en abandonar a un recién nacido, infórmele que tiene otras opciones. Hasta tres días (72 horas) después del nacimiento, se puede entregar un recién nacido al personal de cualquier hospital o cuartel de bomberos del condado de Los Angeles.

¿Cómo funciona?

El padre/madre con dificultades que no pueda o no quiera cuidar de su recién nacido puede entregarlo en forma legal, confidencial y segura dentro de los tres días (72 horas) del nacimiento. El bebé debe ser entregado a un empleado de cualquier hospital o cuartel de bomberos del Condado de Los Angeles. Siempre que el bebé no presente signos de abuso o negligencia, no será necesario suministrar nombres ni información alguna. Si el padre/madre cambia de opinión posteriormente y desea recuperar a su bebé, los trabajadores utilizarán brazaletes para poder vincularlos. El bebé llevará un brazaletes y el padre/madre o el adulto que lo entregue recibirá un brazaletes igual.

¿Qué pasa si el padre/madre desea recuperar a su bebé?

Los padres que cambien de opinión pueden comenzar el proceso de reclamar a su recién nacido dentro de los 14 días. Estos padres deberán llamar al Departamento de Servicios para Niños y Familias (Department of Children and Family Services) del Condado de Los Angeles al 1-800-540-4000.

¿Sólo los padres podrán llevar al recién nacido?

No. Si bien en la mayoría de los casos son los padres los que llevan al bebé, la ley permite que otras personas lo hagan si tienen custodia legal.

¿Los padres o el adulto que entrega al bebé deben llamar antes de llevar al bebé?

No. El padre/madre o adulto puede llevar al bebé en cualquier momento, las 24 horas del día, los 7 días de la semana, siempre y cuando entreguen a su bebé a un empleado del hospital o cuartel de bomberos.

¿Es necesario que el padre/madre o adulto diga algo a las personas que reciben al bebé?

No. Sin embargo, el personal del hospital o cuartel de bomberos le pedirá a la persona que entregue al bebé que llene un cuestionario con la finalidad de recabar antecedentes médicos importantes, que resultan de gran utilidad para cuidar bien del bebé. El cuestionario incluye un sobre con el sello postal pagado para enviarlo en otro momento.

¿Qué pasará con el bebé?

El bebé será examinado y le brindarán atención médica. Cuando le den el alta del hospital, los trabajadores sociales inmediatamente ubicarán al bebé en un hogar seguro donde estará bien atendido, y se comenzará el proceso de adopción.

¿Qué pasará con el padre/madre o adulto que entregue al bebé?

Una vez que los padres o adulto hayan entregado al bebé al personal del hospital o cuartel de bomberos, pueden irse en cualquier momento.

¿Por qué se está haciendo esto en California? ?

La finalidad de la Ley de Entrega de Bebés sin Peligro es proteger a los bebés para que no sean abandonados, lastimados o muertos por sus padres. Usted probablemente haya escuchado historias trágicas sobre bebés abandonados en basureros o en baños públicos. Los padres de esos bebés probablemente hayan estado pasando por dificultades emocionales graves. Las madres pueden haber ocultado su embarazo, por temor a lo que pasaría si sus familias se enteraran. Abandonaron a sus bebés porque tenían miedo y no tenían nadie a quien pedir ayuda. El abandono de un recién nacido es ilegal y pone al bebé en una situación de peligro extremo. Muy a menudo el abandono provoca la muerte del bebé. La Ley de Entrega de Bebés sin Peligro impide que vuelva a suceder esta tragedia en California.

Historia de un bebé

A la mañana temprano del día 9 de abril de 2005, se entregó un recién nacido saludable a las enfermeras del Harbor-UCLA Medical Center. La mujer que llevó el recién nacido al hospital se dio a conocer como la tía del bebé, y dijo que la madre le había pedido que llevara al bebé al hospital en su nombre. Le entregaron a la tía un brazaletes con un número que coincidía con la pulsera del bebé; esto serviría como identificación en caso de que la madre cambiara de opinión con respecto a la entrega del bebé y decidiera recuperarlo dentro del período de 14 días que permite esta ley. También le dieron a la tía un cuestionario médico, y ella dijo que la madre lo llenaría y lo enviaría de vuelta dentro del sobre con franqueo pagado que le habían dado. El personal médico examinó al bebé y se determinó que estaba saludable y a término. El bebé fue ubicado con una buena familia que ya había sido aprobada para adoptarlo por el Departamento de Servicios para Niños y Familias.



EXHIBIT J

**PROOF OF CONCEPT (POC)
ARCHITECTURE REPORT**

**(NOT ATTACHED – INCORPORATED BY
REFERENCE)**

**VENDING MACHINE SERVICES –
INMATES ONLY**

EXHIBIT K

NON-EMPLOYEE INJURY REPORT

**VENDING MACHINE SERVICES –
INMATES ONLY**

**COUNTY OF LOS ANGELES
NON-EMPLOYEE INJURY REPORT**

Dept Name: _____ Dept. #: _____
DIV. or Facility: _____
SECTION: _____
IRMIS Code #: _____

Prepared for County Counsel in defense of the County, Special Districts and employees.

INSTRUCTIONS:

1. All incidents involving injury to non-employees, however minor, while on County property (owned or leased) must be reported by the Guard, Sheriff's Office or Department in proximity to incident, as follows:

Two copies to: CARL WARREN & CO., P.O. Box 11 6, Glendale, CA 91209-0116

FATALITIES OR SERIOUS INJURIES MUST BE REPORTED IMMEDIATELY BY PHONE TO CARL WARREN & CO. (818) 247-2206

INJURED NON-EMPLOYEE:

1. Name _____
(Last Name) (First Name) (Middle Name)
2. Address _____
2B. Telephone: () _____ 3. Age _____ 4. Sex: _____ Male _____ Female If minor, give name of parent or guardian _____

TIME AND PLACE:

5. Place of occurrence _____
(Name of County Facility, Bldg., Street, Number) (City or Town)
6. Location in building _____
(In detail: Bldg., Floor, Room No.)
7. Date of occurrence _____ Hour _____ AM/PM. 8. Weather _____ Clear _____ Rain
POLICE REPORT ☐ Yes ☐ No POLICE AGENCY REPORTING _____ STATION _____ DEPT. #: _____

DESCRIPTION OF INCIDENT:

9. What was non-employee doing? _____
10. What happened? (Describe fully, stating whether injured person fell, was struck, etc.) Give all factors contributing to injury: _____
(If necessary, continue on separate sheet)
11. Condition of floor, sidewalk, steps or other physical property or equipment involved: _____
12. Was there any defect or foreign substance or object involved? If so, describe: _____
13. If slip and fall: Person's shoes _____ heels _____ caps _____
(Type) (Type) (Type)

NATURE OF INJURY AND PART OF BODY AFFECTED:

14. Be specific! State which part of body injured; whether right or left, etc. If exact nature of injury is undetermined, give opinion: _____

TREATMENT GIVEN:

15. Was treatment given to the injured person by County personnel? _____ By whom? _____

Type of Treatment: _____

16. Was ambulance called? _____ Which company? _____ By whom? _____

17. Taken to hospital? _____ Which? _____

STATEMENTS BY INJURED AND WITNESSES:

(Note: Attach additional pages if needed)

18. Statement of injured as to what happened: _____

19. Witness No. 1: Name _____ (Last Name) (First Name) (Initial)

Address: _____ (Number) (street) (City) Telephone: _____

Statement: _____

20. Witness No. 2: Name _____ (Last Name) (First Name) (Initial)

Address: _____ (Number) (Street) (City) Telephone: _____

Statement: _____

Date Report Prepared: _____

Prepared by: _____ (Print Name) Phone _____

_____ (Title) Dept. _____

_____ (Signature)

EXHIBIT L

DEFAULTED PROPERTY TAX REDUCTION PROGRAM

- 2.206.010 Findings and declarations.
- 2.206.020 Definitions.
- 2.206.030 Applicability.
- 2.206.040 Required solicitation and contract language.
- 2.206.050 Administration and compliance certification.
- 2.206.060 Exclusions/Exemptions.
- 2.206.070 Enforcement and remedies.
- 2.206.080 Severability.

2.206.010 Findings and declarations.

The Board of Supervisors finds that significant revenues are lost each year as a result of taxpayers who fail to pay their tax obligations on time. The delinquencies impose an economic burden upon the County and its taxpayers. Therefore, the Board of Supervisors establishes the goal of ensuring that individuals and businesses that benefit financially from contracts with the County fulfill their property tax obligation. (Ord. No. 2009-0026 § 1 (part), 2009.)

2.206.020 Definitions.

The following definitions shall be applicable to this chapter:

- A. "Contractor" shall mean any person, firm, corporation, partnership, or combination thereof, which submits a bid or proposal or enters into a contract or agreement with the County.
- B. "County" shall mean the county of Los Angeles or any public entities for which the Board of Supervisors is the governing body.
- C. "County Property Taxes" shall mean any property tax obligation on the County's secured or unsecured roll; except for tax obligations on the secured roll with respect to property held by a Contractor in a trust or fiduciary capacity or otherwise not beneficially owned by the Contractor.
- D. "Department" shall mean the County department, entity, or organization responsible for the solicitation and/or administration of the contract.
- E. "Default" shall mean any property tax obligation on the secured roll that has been deemed defaulted by operation of law pursuant to California Revenue and Taxation Code section 3436; or any property tax obligation on the unsecured roll that remains unpaid on the applicable delinquency date pursuant to California Revenue and Taxation Code section 2922; except for any property tax obligation dispute pending before the Assessment Appeals Board.
- F. "Solicitation" shall mean the County's process to obtain bids or proposals for goods and services.
- G. "Treasurer-Tax Collector" shall mean the Treasurer and Tax Collector of the County of Los Angeles. (Ord. No. 2009-0026 § 1 (part), 2009.)

2.206.030 Applicability.

This chapter shall apply to all solicitations issued 60 days after the effective date of the ordinance codified in this chapter. This chapter shall also apply to all new, renewed, extended, and/or amended contracts entered into 60 days after the effective date of the ordinance codified in this chapter. (Ord. No. 2009-0026 § 1 (part), 2009.)

2.206.040 Required solicitation and contract language.

All solicitations and all new, renewed, extended, and/or amended contracts shall contain language which:

- A. Requires any Contractor to keep County Property Taxes out of Default status at all times during the term of an awarded contract;
- B. Provides that the failure of the Contractor to comply with the provisions in this chapter may prevent the Contractor from being awarded a new contract; and
- C. Provides that the failure of the Contractor to comply with the provisions in this chapter may constitute a material breach of an existing contract, and failure to cure the breach within 10 days of notice by the County by paying the outstanding County Property Tax or making payments in a manner agreed to and approved by the Treasurer-Tax Collector, may subject the contract to suspension and/or termination. (Ord. No. 2009-0026 § 1 (part), 2009.)

2.206.050 Administration and compliance certification.

- A. The Treasurer-Tax Collector shall be responsible for the administration of this chapter. The Treasurer-Tax Collector shall, with the assistance of the Chief Executive Officer, Director of Internal Services, and County

Counsel, issue written instructions on the implementation and ongoing administration of this chapter. Such instructions may provide for the delegation of functions to other departments.

B. Contractor shall be required to certify, at the time of submitting any bid or proposal to the County, or entering into any new contract, or renewal, extension or amendment of an existing contract with the County, that it is in compliance with this chapter is not in Default on any County Property Taxes or is current in payments due under any approved payment arrangement. (Ord. No. 2009-0026 § 1 (part), 2009.)

2.206.060 Exclusions/Exemptions.

A. This chapter shall not apply to the following contracts:

1. Chief Executive Office delegated authority agreements under \$50,000;
2. A contract where federal or state law or a condition of a federal or state program mandates the use of a particular contractor;
3. A purchase made through a state or federal contract;
4. A contract where state or federal monies are used to fund service related programs, including but not limited to voucher programs, foster care, or other social programs that provide immediate direct assistance;
5. Purchase orders under a master agreement, where the Contractor was certified at the time the master agreement was entered into and at any subsequent renewal, extension and/or amendment to the master agreement.
6. Purchase orders issued by Internal Services Department under \$100,000 that is not the result of a competitive bidding process.
7. Program agreements that utilize Board of Supervisors' discretionary funds;
8. National contracts established for the purchase of equipment and supplies for and by the National Association of Counties, U.S. Communities Government Purchasing Alliance, or any similar related group purchasing organization;
9. A monopoly purchase that is exclusive and proprietary to a specific manufacturer, distributor, reseller, and must match and inter-member with existing supplies, equipment or systems maintained by the county pursuant to the Los Angeles Purchasing Policy and Procedures Manual, section P-3700 or a successor provision;
10. A revolving fund (petty cash) purchase pursuant to the Los Angeles County Fiscal Manual, section 4.6.0 or a successor provision;
11. A purchase card purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, section P-2810 or a successor provision;
12. A non-agreement purchase worth a value of less than \$5,000 pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, section A-0300 or a successor provision; or
13. A bona fide emergency purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual section P-0900 or a successor provision;
14. Other contracts for mission critical goods and/or services where the Board of Supervisors determines that an exemption is justified.

B. Other laws. This chapter shall not be interpreted or applied to any Contractor in a manner inconsistent with the laws of the United States or California. (Ord. No. 2009-0026 § 1 (part), 2009.)

2.206.070 Enforcement and remedies.

A. The information furnished by each Contractor certifying that it is in compliance with this chapter shall be under penalty of perjury.

B. No Contractor shall willfully and knowingly make a false statement certifying compliance with this chapter for the purpose of obtaining or retaining a County contract.

C. For Contractor's violation of any provision of this chapter, the County department head responsible for administering the contract may do one or more of the following:

1. Recommend to the Board of Supervisors the termination of the contract; and/or,
2. Pursuant to chapter 2.202, seek the debarment of the contractor; and/or,
3. Recommend to the Board of Supervisors that an exemption is justified pursuant to Section 2.206.060.A.14 of this chapter or payment deferral as provided pursuant to the California Revenue and Taxation Code. (Ord. No. 2009-0026 § 1 (part), 2009.)

2.206.080 Severability.

If any provision of this chapter is found invalid by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect. (Ord. No. 2009-0026 § 1 (part), 2009.)